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# THE TIMES

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## Four killed as troops storm Indonesian air liner and free 44

From David Watts  
Bangkok, March 30

About 20 troops early this morning stormed the Indonesian Garuda Airways DC-9 being held by five hijackers at Bangkok airport and freed 44 hostages who had been held since Saturday.

[A Thai Government spokesman said that three hijackers and one passenger, a four-year-old child, were killed in the assault. Reuter reports from Bangkok.]

The attack, launched in the early morning darkness, was over in seconds. Heavy machine-gun fire was heard from the front and rear of the aircraft before the hijackers, and later the hijacked plane, came down the steps of the airliner.

It is not known whether the 20 or so crack troops were Thai or Indonesian, but throughout the hijacking drama the Indonesian Government had been pressing the Thais to make such an assault. One unconfirmed report said that a commando assault had been practised over the weekend in Jakarta.

A single file of troops, wearing steel helmets and battle fatigues, advanced from directly behind the airliner where they had been concealed. Moving slowly, they were able to advance on the aircraft without being noticed by the hijackers. Carrying aluminium ladders to gain access some went to the front of the aircraft and some to the rear. The passenger door was forced open, and heavy machine-gun fire broke out. Ambulances and fire engines moved into position.

The first hostage to appear was a small boy in white trousers walking down the front steps of the aircraft. Next came a woman and then the first of the surviving hijackers, hands in the air.

The hijacking began on Saturday, when the twin-engine airliner was taken over on a flight from Jakarta to Medan in northern Sumatra. So far, the identity of the hijackers is unknown, but the Indonesians say they are from an extreme Muslim group calling for Indonesia to pursue a pure form of the Islamic faith. It is understood that they may be linked with the group that assaulted the Mosque in Mecca last year.

The hijackers had been demanding the release of 20 prisoners in Indonesia and an airliner to take them to Sri Lanka. The Sri Lankan Government, however, had said it would not accept either the hijackers or the prisoners. Today the hijackers added another demand, for a ransom of \$2 million. It is not clear whether the authorities were playing for time. It also became clear that the Indonesians had been less than sincere in promising to carry out the hijackers' demands.

## President Reagan shot in chest

Patrick Brogan  
Washington, March 30

President Reagan was shot and seriously wounded outside a Washington hotel this afternoon. Three men with him were also injured. Mr. James Brady, the White House press secretary, is said to be seriously wounded.

The President was operated on immediately, and the bullet that had been lodged in his chest was removed. Witnesses said that he had walked into the hospital, holding his right hand against his left side, where one wound could be seen. The seriousness of the wound became known shortly afterwards.

Source on Capitol Hill reports that the President, who was given a blood transfusion before undergoing surgery, had been conscious and speaking to his assistants and to his wife after arriving at the hospital.

Mr. Reagan had been addressing a convention of trade unionists at the Washington Hilton. As he left the building in a light rain at 2.30 pm, a man shouted "Mr. President" and opened fire. A secret service man immediately pushed Mr. Reagan into his car, and he was driven away.

Mr. Brady was hit in the head, a secret serviceman was hit in the chest, and a Washington policeman was also shot.

Soon after the shooting, Mr. Alexander Haig, the Secretary of State, announced: "I am in control here in the White House until the Vice-President (Mr. George Bush) returns here". He said all members of the

Cabinet had assembled in the White House situations room. The armed forces had not been alerted. No decisions about carrying on the government could be taken until the extent of Mr. Reagan's injuries were known.

cameramen kept watch outside the hospital, which is about a mile from the Hilton Hotel, and rather less than that from the White House. The television networks suspended their afternoon programmes and gave continuous live coverage of the event. The Stock Exchange in New York closed precipitously.

David Cross writes from the Washington University Hospital: A White House spokesman, who came out to talk to drenched reporters waiting outside the concrete and glass entrance here reiterated that the condition of the President was stable.

He said that the President was conscious and that Mrs. Reagan was at his side.

He also confirmed that Mr. Brady was injured, but was unable to say how badly.

Witnesses outside the hospital

was halted, as was all trading in Government bonds.

The financial markets closed at 3.17 pm (20.17 GMT). The normal closing time is 4 pm.

The Dow Jones Stock Market psychological 1,000 mark to 977.22 almost immediately on the news.

Michael Leppman writes: Threats against the lives of Presidents have become fairly routine in recent years, but with the secret service giving comprehensive round-the-clock protection, potential assassins seldom get the chance to open fire, resident Ford was the last one to be actually shot at, San Francisco on September 22, 1975.

Sara Jane Moore managed to aim one bullet at the President but a bystander jogged the gun and it missed him. She was then pushed to the ground and arrested. Miss Moore, who had once been an informant for the Federal Bureau of Investigation, was sentenced to life imprisonment.

Sixteen days earlier, Lynette "Squeaky" Fromme, a follower of the mass murderer and cult leader, Charles Manson, had pointed a gun at President Ford in Sacramento, California. A Secret Service agent grabbed the gun before she had the chance to fire. She also received a life sentence.

President Carter's greatest peril came in Los Angeles in May, 1979. Police arrested Raymond Lee Harvey, who was found carrying a starting pistol near the President. He said he was part of a four-man assassination plot and two Mexicans were later arrested for complicity. No charges were brought against them because of insufficient evidence.

In June 1977 it was revealed that H. Bremer, who in May had shot and crippled Governor George Wallace of Alabama in Maryland, had stalked President Nixon during his visit to Ottawa in April. He had two guns in his car and his diary disclosed that he had sought an opportunity to kill the President but never found one. Mr. Wallace was a substitute victim.

In 1968 the secret service reported that since President Kennedy's assassination in 1963 there had been 500 threats against President Johnson in 1967.

Since then, dozens of people have been arrested for trying to break into the grounds of the White House. Sometimes they have tried to smash through the gates with a car and on one or two occasions plots have been reported to crash an aircraft on the presidential residence.

Four American presidents have been assassinated in office: Kennedy in 1963, McKinley in 1901, Garfield in 1881 and Lincoln in 1865. In 1950 two Puerto Rican nationalists tried to shoot their way into Blair House in Washington to kill President Truman, who was there temporarily. In 1912 former President Theodore Roosevelt was shot and seriously wounded in Milwaukee.

## Treasury denies economists' claim that Tory policies are damaging economy

Francis Williams

Ministers yesterday challenged the outspoken and unrecanted attack by 364 economists on the government's handling of the economy.

The Treasury took the usual step of a formal response strongly denying the academics' assertions that "Tory policies were damaging the economy and had no foundation in economic theory or in practice."

The text of the official response reads: "The Government has read with interest the points to which these 364 economists subscribe. The veritable avalanche of attacks in the substantial school of

## Farmer in Brussels protest dies

From Michael Hornsby  
Brussels, March 30

A meeting of EEC agricultural ministers discussing wheat prices in farm prices this year was adjourned tonight after a French farmer's union leader was run down and killed outside the headquarters of the European Council of Ministers.

The man, identified as Roger Leveque, president of the Nord-Pas de Calais branch of the French Farmers' Union, was hit by a passing car.

He had been blocking the road with some 2,000 other vociferous demonstrators demanding even higher price increases.

## Bank of England chief cautious on recovery

Mr. Gordon Richardson, the Governor of the Bank of England, has refrained from joining ministers, including Sir Geoffrey Howe, the Chancellor, who says that the bottom of the recession has been reached or will be reached later this year. In evidence to the Commons Select Committee on the Treasury, he said that it was impossible to predict when the economy would turn, and that

## Politicians' choice named Bishop of London

Clifford Longley  
Religious Affairs Correspondent

An extraordinary tug-of-war between the Prime Minister and the Leader of the Opposition, on the one hand and Queen and the Archbishop of Canterbury, on the other, ended yesterday with the announcement that the Bishop of Truro, Dr. Graham Leonard, is to be the new Bishop of London.

Dr. Leonard was not the first choice submitted by the Crown Appointments Commission of the Church of England, it was announced yesterday. The Archbishop, Robert Runcie, is chairman of the commission, and spent time with Mrs. Thatcher urging her to accept his advice.

Dr. Leonard, a controversial figure who has doggedly opposed several recent trends in Anglicanism, including the ordination of women, had most of the dignitaries of the diocese of London ranged against him. The five suffragan bishops, the Dean and Chapter of St. Paul's, did not endorse his nomination. The favoured rival was the Bishop of Durham, Dr. John Habgood.

Dr. Leonard, strongly lobbied by Dr. Leonard's supporters, was quickly won over to his side. The result was a period of deadlock which was broken, it is said, when Mr. Michael Foot was recruited as a supporter of Dr. Leonard.

With the Government's advice backed up by the Opposition in this way, the Queen was bound to accept Dr. Leonard.

It appears that the Crown Appointments Commission, which has the right to submit two names in order of preference, did not include Dr. Leonard in its official advice. The Prime Minister has the right to ask the commission to suggest one or two further names, and the commission has the right to decline to do so. Had Dr. Leonard's name been put

## Whitehall strike cost to taxpayer

Industrial action by civil servants has forced the Government to borrow an additional £800m to offset a reduction in tax revenue. Interest charges on this loan could be costing the taxpayer about £2m a week.

## Stand on fish zone dropped

There were strong indications in the Commons that the Government had abandoned its stand that any agreement on the EEC common fisheries policy must include a dominant British fisherman in the zone around Britain.

## Racial equality body criticized

The Commission for Racial Equality had been given the greatest powers in the Western world to combat racial discrimination but had not used them, an MEP said at an inquiry by a Commons select committee.

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MONDAY MARCH 31, 1981

Special Articles:

Weddings in 14th seldom made the news, but their ruby anniversary celebrations deserve the exclusive beauty of appropriate jewellery from Garrard. A wide and attractive selection of fine ruby jewellery from £450 can be seen in the showrooms, where you will be very welcome. Details will gladly be given on request.

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# Labour set for 'biggest fight of 1981'

By Christopher Warman  
Local Government  
Correspondent

Mr Michael Foot, leader of the Labour Party, yesterday launched Labour's campaign for the Greater London Council election on May 7. This is the most important political event to take place in this country this year, he said.

It would provide the first main occasion for voters to show what they thought of the Conservative Government and its policies for local government, and he confidently predicted victory in London and considerable success elsewhere in the elections in the English and Welsh counties.

Mr Foot said that London more than any other city in the country had suffered because of the Government's attitude to local authorities and "it measures it had imposed". The Tory Government in Westminster which is responsible for the rate increases and rent increases which have imposed a heavy extra burden on the people of London.

The Greater London Council has 63 Conservatives and 29 Labour, and Labour needs a swing of 9.5 per cent compared with the last election in 1977, or just 2.1 per cent since the 1973 general election to give the party a majority.

Mr Andrew McIntosh, leader of the Labour group, believed the party would gain about sixty seats out of the 92. He told yesterday's press conference that Labour would emphasise in its campaign the need to mount an urgent challenge to the Tory Government in the face of the worst decline in living standards that Londoners had suffered for years.

"It is now obvious that the election of a Tory government two years ago was a disaster for London. Unemployment has grown by 120,000, and the Government has turned out to



Mr Foot launching the election campaign in London yesterday. Mr McIntosh is second from right.

be fiercely anti-London, and this year took over £500,000 away from London.

Both Mr Foot and Mr McIntosh invoked the support of Herbert Morrison, father of London municipal government. Mr McIntosh proudly during the 1934 election campaign for the municipal reform party. "Money raised by rates and spent on social services may be the truest economy."

The Labour group has in its manifesto a programme to improve public transport, starting with a reduction in London Transport fares by 25 per cent, revive the housing programme and create 10,000 jobs.

It has costed the programme. Mr McIntosh said that to introduce the fares cut in October will mean a supplementary rate of 6p to 8p, while the package of policies will by 1983-84 add another £1 a week to the average household's rate bill, equivalent to a 20p rate and costing about £400m.

"This appears very modest when compared with the fact that Mr Heseltine has taken £500m away from London."

Mr McIntosh said that Labour intended action on jobs, transport and housing. "The Tories, having caused most of the problems and ignored the rest, are completely bankrupt of ideas and energy."

"All they can offer in this campaign are allegations or excuses. They have been quoted as saying that the London Labour Party 'has abandoned the moderate traditions of Herbert Morrison'."

Mr McIntosh said that Labour stood united. All 92 Labour candidates abided by the manifesto and there was no split between the left and right.

He accepted that Mr Kenneth Livingstone, whom he beat for the leadership by one vote, would challenge him for the post. "That is his right, but we have no policy differences," Mr McIntosh dismissed the challenge of candidates repre-

sented the Social Democratic Alliance, who include former Labour members of the GLC such as Dr Stephen Haseler, Mr Douglas Eden and Mr James Daly.

Ecology stand: The Ecology Party announced yesterday its intention to field between 40 and 45 candidates in the GLC election.

The party seeks a restructured economy, emphasizing local production for local needs, a more accountable, open and democratic system of local government, community involvement at home, at school and at work, and a healthy, safer environment.

— Leading article, page 17

## Domestic rates will go up by an average of 19.6%

By Our Local Government Correspondent

The latest figures for rate increases next year, issued yesterday by the Rating and Valuation Association, show that domestic ratepayers will be paying an average of 19.6 per cent more in England and Wales than in the year just ending.

That estimate compares with an increase of 20.5 per cent predicted by the Finance and Institute of Public Finance and Accounts one week ago. The difference is caused by the association using a weighted average to take account of the number of properties in each authority area.

For commercial and industrial ratepayers the average increase is 17 per cent.

Domestic rate increases vary considerably throughout England and Wales, averaging 40 per cent in inner London, 31.5 per cent in outer London, 26 per cent in the metropolitan areas, 12 per cent in English non-metropolitan areas and 19 per cent in Wales.

Commenting on the figures, the association states that Mr Michael Heseltine, Secretary of State for the Environment, was careful not to predict a national average figure when he announced the Government's rate support grant last December. He said that if local authorities planned for a next year's target of 5.6 per cent and budgeted for a cash limit of 6 per cent for salaries and wages and 11 per cent for rates, then "rate increases should be contained".

The association questioned whether those targets, and the extra cost to local government after the national budget and the extent of the shift of grant from London and the metro-

politan districts to the shire counties, were reasonable. "Can it really be that only central government has got its figures right and all the local authority treasurers and finance committee chairmen have got theirs wrong?"

Many councils that had followed government guidelines found themselves with big percentage increases in rates. The association questioned the changing of the spending targets by the Government and the uncertainties surrounding the new block grant system.

The association accused the Government of not only changing the rules during play but moving the goalposts.

"Local government appears to be in a corner with no fault of its own. The association viewed dismay at the suggested reform of the rating system, created more chaos than it solved, and the system it should set up support grant system rig."

Figures published by the association come from a survey of 341 of the 403 local authorities in England and Wales. Variations in the statistics show that the system has not brought the rates closer together, as was intended.

### AVERAGE DOMESTIC RATE PAYMENTS

Authority	Average Domestic Rateable Value £	Rate Payable 1981-82 £	Rate Payable 1980-81 £	% Increase
London	358	576.74	424.84	35.8
Camden	295	423.91	347.80	21.9
Islington	529	564.87	371.88	51.1
Kensington & Chelsea	531	480.02	376.48	27.2
Westminster	302	240.09	185.73	29.3
Croydon	302	404.68	306.53	32.0
Harrow	274	268.52	228.79	17.6
Richmond	287	242.52	242.52	0.0
Metropolitan districts	202	249.47	180.79	38.0
Birmingham	123	157.56	131.12	19.4
Bradford	165	308.05	227.86	35.2
Manchester	154	314.93	243.32	29.4
Newcastle	170	209.93	199.39	5.3
Bristol	202	251.32	236.80	6.1
Chester	178	183.35	185.00	-0.9
Maidstone	191	202.84	180.47	12.4
Nuneaton	194	236.77	223.10	6.1
Wales	172	158.99	147.57	7.7
Cardiff	97	99.33	89.04	11.5
Garmarthen	180	138.10	126.12	9.5
Newport	132	202.36	166.72	21.4
Swansea	132	202.36	166.72	21.4

## Tax staff intensify protest-action

By David Felton  
Labour Reporter

Industrial action by civil servants in the Inland Revenue was strengthened yesterday after threats by the management that workers carrying out blacking action would be awarded if they refused to carry out instructions.

The Civil Service unions claimed that thousands of Inland Revenue workers walked out yesterday afternoon in protest at the threatened suspensions and from this morning 75 mainly senior staff will start an indefinite strike.

The unions also claimed that tomorrow's meeting of the National Economic Development Council will be disrupted. A day of protest to coincide with the date from which the Civil Service pay award is due to run has been planned for tomorrow, and the National Economic Development Office in Millbank Tower, London, will be picketed.

A spokesman for the Council of Civil Service Unions said the five general secretaries of leading unions and Mr Len Murray, TUC general secretary, who form the union side of the NEDC, had indicated that they will not cross the picket line to attend the meeting.

Intensified action in the Inland Revenue had been expected after the statement at the weekend by Lord Soames, minister responsible for the Civil Service, that workers who did not work normally, should not expect to be paid.

The staff in 15 regional tax offices were asked to process and bank cheques which would usually have passed through the PAYE computer centres at Shipley, near Bradford, and Cumberland, near Glasgow, where more than 1,000 people are on strike. The staff were told that if they refused, they would be suspended.

The unions said that as a result of the management's action four assistant group

controllers at each of the 15 regional tax offices would start an indefinite strike today, along with the manager of a tax collection office in each of the 15 regions. All the staff are members of the Inland Revenue Staff Federation.

More than 500 workers in 23 crown and county courts are to join the strike this week. Yesterday 16 courts were affected and the remaining seven will suffer disruption later in the week.

The unions said the action, at the start of the fourth week of the pay dispute, was expected to close the courts which are mainly in the North, South Wales and London. They were prepared to continue the overall action "for months and months" if the Government refused to reopen negotiations on their claim.

The action by customs staff in North East and Scotland ports could delay sailings of vessels arriving North Sea oil rigs.

Diary, page 16

## Whitehall brief: Defining 'essential' civil servants the big difficulty Tories interest in no-strike pact rekindled

By Peter Hennessy

The spectacle of large chunks of the Government's tax-payers' system effectively paralysed by strikes, plus sections of its defence machine similarly affected by selective action, has rekindled interest among Conservative backbenchers in a single sentence on page 12 of their party's manifesto for the 1979 election.

It reads: "We will seek to conclude no-strike agreements in a few essential services." The idea was revived in the Government's Green Paper on Trade Union Immunities published in January. Mr Michael Neuber, Conservative MP for Havering, Romford, has been the most persistent advocate of applying the principle to Civil Service, raising it at question time with the Prime Minister, the Chancellor of the Exchequer and the Minister of State at the Civil Service Department.

Replying to Mr Neuber, and to two more Tory backbenchers, Mr Christopher Patten, MP for Bath, and Mr William Waldegrave, MP for Bristol, West, ministers have treated the idea with sympathy and said it was not ruled out in any settlement

that might be found to end the present dispute. How would a no-strike agreement work for the Civil Service? In a letter to *The Times* last week, Mr Patten and Mr Waldegrave suggested offering a statutory backed arbitration procedure in return for such an undertaking, from "an inner core of essential public servants". They would hold out the idea of a guarantee of continued service and a commitment to sustain the real value of their pay and pensions.

Mr Neuber wants the principle applied to those with power to pull out the plug, chiefly in computerized installations, particularly those in defence and revenue raising. He is wary of index-linking pay and suggests that it might simply be a matter of giving higher salaries to key workers, the tidest solution overall being a system that matches that of the Armed Forces, where strikes are forbidden by law.

Mr Peter Jones, secretary of the Council of Civil Service Unions, describes such ideas as "baiting for the moon". He said that there would be no strike if the Government had sustained the traditional system of determining pay on the

basis of fair comparisons with the private sector. How would "essential" civil servants be defined, he asks. The Ministry of Defence accounts for a third of the total and, between them, the Departments of Health and Social Security, and Employment for another quarter. Mr Jones says that for the idea to be cogent, "we would have to have an absolute assurance of comparability regardless of cash limits, and unfettered arbitration in the case of disputes or guaranteed conciliation in non-arbitrable areas. In other words, the Government would have to hand over its political responsibility for managing Civil Service pay to a third party above politics."

As good a person as any to arbitrate between the Neuber-Patten-Waldegrave position and that of Mr Jones is Lord Croham, Head of the Home Civil Service, from 1974 to 77. When asked for a judgment, Lord Croham's immediate response was to say: "I would not start from here."

Lord Croham believes that to make it work the year's time-lag, whereby private-sector figures from the last pay round

determine Civil Service salaries in the private sector, will have to be removed if the Government, in a period of falling inflation, is not to be presented with highly embarrassing claims from its employees. Singling out essential workers would be difficult as it would mean a clerical officer in a non-essential job getting less than another doing similar work in a vital establishment. How would it be enforced unless the legal immunities of trade unions had not been fundamentally altered already?

"You might, with a lot of hard work from both ministers and unions, sustain it by a morale factor and not by sanctions. If you are relying on esteem—that such people would not strike—you have to recreate that esteem at the lower levels."

Lord Croham concluded that the great difficulty in fixing a no-strike arrangement for the Civil Service lies in clearing the ground to get to a starting point for the new system. As you are starting from a point where there is a dispute, it would have thought it quite impossible to end it by applying this method."

## Liberals to oppose SDA in local poll

By Ian Bradley

Liberal and social democrats will be fighting one another in the Greater London Council elections on May 7. The London Liberal Party has rejected the idea of an electoral agreement with the Social Democratic Alliance which has announced its intention of putting up eight candidates. The alliance was set up in 1975 as a right-wing pressure group within the Labour Party.

The Liberals have 88 candidates in the field and are hoping, if possible, to contest all 92 seats on the GLC.

Mr William Pitt, chairman of the London Liberals, said yesterday that they felt it was wrong to enter into any local pact with the social democrats before there had been national agreement between the two parties.

He also pointed out that the alliance candidates do not have the backing of the Council for

Social Democracy which considers that it is premature to fight the county council elections and has refused to endorse any candidates put up for them. At a meeting on Sunday of the eight Liberal candidates selected to fight the seats which the alliance is contesting, they pledged their determination not to stand down.

He said that pacts between Liberals and social democrats had been made in Lincolnshire, where eight social democrats and 30 Liberals would fight the county council with each other's support, and in Humberside and Shropshire.

Meanwhile, more social democrats have announced that they are entering the fray. Tynemouth social democrats will fight three out of eight seats on the county council. Mr Anthony Clister, a former Conservative candidate,

## Three killed by fumes in dockyard

From Our Correspondent

Dunfermline  
Three painters died of gassing in the Royal Navy Dockyard at Rosyth, Fife, yesterday. They were overcome by fumes while working inside a dock caisson. A fourth man who was taken to hospital after being gassed was said to be improving.

The Ministry of Defence said no naval personnel or vessels were involved and an inquiry had been set up by the dockyard.

The three dead men were Mr Michael Connolly, aged 49, single, of Kenilworth Terrace, Lochore, Fife; Mr James Brown, aged 27, single of Inchgall Avenue, Crosshill, Fife; and Mr John Mathewson, aged 54, a widower, of Laurencehead Road, Lochore, Fife.

The survivor is Mr Brian Hubbards, of Argyle Road, Kinross.

## MPs worried by stand on fishing

By Hugh Noyes  
Parliamentary Correspondent

There were strong indications in the Commons yesterday that the Government has abandoned its firm stand that any agreement on an EEC common fisheries policy must include a dominant position for British fishermen in the 12 or 50 zone around our shores.

Anxious MPs pressed Peter Walker, Minister of Agriculture, Fisheries and Food, when he told the House of Commons that there had been a common failure to secure an agreement, to give assurance that there had been no yielding on that demand.

Mr Enoch Powell, Opposition Unionist MP for Dorset, pointed out that position on the dominant was had been approved by the House. He urged Mr Walker clear up the confusion.

Earlier Mr Roy Massey, Opposition spokesman on agriculture, also pressed Mr Walker to say whether Britishmen over the preferential one being sacrificed.

To all of these anxieties, Walker was unusually vague. He told the House that he had bilateral talks with the French minister, when British requirements were discussed in detail and length.

On the dominant one, Minister said there was agreement between the United Kingdom and the Government.

Earlier, Mr Walker said Government was making £100m aid available to industry.

Parliamentary report, page 10

## Peer makes a final plea for bats

By Our Parliamentary Correspondent

Lord Croham made a final plea for bats in the House of Lords yesterday. He said that bats were being exterminated by the use of insecticides, and that the Government should take steps to protect them. He said that bats were important for the control of insect pests, and that their extermination would be a disaster for the country.

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## Republican stands down to leave Maze hunger striker favourite for Ulster by-election

From Christopher Thomas

Enniskillen, Co Fermanagh  
Mr Robert Sands, the Provisional IRA hunger striker, is favoured to win the Fermanagh and South Tyrone by-election on April 9 after some intensive manoeuvring in the nationalist camp yesterday.

It is now a straight fight between Mr Sands, serving 14 years for possession of firearms, and Mr Harold West of the Official Unionists, a farmer, landowner, former MP and ex-Sligo councillor.

The Rev Ian Paisley's Democratic Unionist Party, fearing a humiliating defeat in a constituency where it traditionally has huge support announced at lunchtime that it was not going to contest.

The executive of the Social Democratic and Labour Party, vote of the moderate Roman Catholics of Northern Ireland, also declared that it would not fight because it wanted to concentrate on the local elections in May. It appears that while the local constituency party was anxious to field a candidate, the executive feared that it might perform badly.

But calculation, however, was

made before yesterday's events. Mr Noel Maguire, brother of Mr Frank Maguire, the late MP, withdrew his nomination 12 minutes before the 4 pm deadline.

Mrs Bernadette McAliskey, former MP for Mid Ulster, who had already declared her intention of standing aside, signed Mr Sands's nomination papers. There was a feeling in some quarters of the SDLP last night that it had been neatly outmanoeuvred by the more extreme element of the nationalist republican camp.

Mr Maguire said: "I have been told that the only way of saving the life of Bobby Sands is by letting Sands go forward in the election. I just cannot have on my own hands the life of another man. I am calling on my supporters to throw their weight behind Bobby Sands."

He denied that he had been coerced by Provisional Sinn Féin or others to withdraw. There is a nationalist majority of about 5,000 over the unionists in Fermanagh and South Tyrone, whose electorate of 71,481 turned out in a remarkable 58.9 per cent poll in May, 1979, and elected Mr Maguire

with a majority of nearly 5,000 over the Official Unionist runner-up.

He was elected as an independent, but was a staunch republican who, like his brother, supported the Maze hunger strike.

All that could stop Mr Sands being elected would be the abstention of many nationalist supporters who might be reluctant to vote for a man described as the leader of the IRA prisoners at the Maze, or for somebody who has already declared that if elected he intends immediately to resign.

A second by-election would clearly have to come after the local elections in May, and a larger field would then stand. But Provisional Sinn Féin, which is backing Mr Sands, says it would not fight a second time.

Mr West, former leader of the Official Unionists, claims most support in Co Tyrone, but in Fermanagh, which has only one town of any size, he does not command widespread support.

General election: M. F. Maguire (Ind) 22,348; R. P. Maguire (O.U.) 17,411; A. Curry (SDLP) 10,720; E. Baird (UUP) 10,007; P. Acheson (Alliance) 1,070. Ind. majority: 4,937.



Children from St Barnabas School, Pimlico, London, studying pictures yesterday before a National Gallery quiz.

## RPO dismisses general manager

By Martin Huckerby  
Music Reporter

The Royal Philharmonic Orchestra has dismissed Mr Peter Diamond, its general manager, after a series of disagreements on the policy for running the self-governing orchestra. Mr Diamond, aged 67, has been general manager since November 1978.

His dismissal, which takes immediate effect, came at an acrimonious meeting of the orchestra's board last night, but it reflects differences between him and the remainder of

the board which go back many months.

When he was first appointed, after 13 years as director of the Edinburgh Festival, many in the musical profession doubted whether his independent style of management would fit easily into a self-governing organization.

Matters have been made more difficult by the orchestra's financial difficulties, in January the Musicians' Union came to its aid with a loan of up to £50,000.

His departure is yet another example of the uneasy relations

between London orchestral managers and players; the Royal Philharmonic has had seven different general managers in the past 15 years.

After seeing his solicitor yesterday, Mr Diamond said he could not make any statement yet, but he did observe that when he joined the Royal Philharmonic, he had been the most junior of the managers of the four independent London orchestras; when he left last week, he was the most senior.

Mr Diamond has not made any plans for the future.

## National Theatre rejected £750,000 sponsorship

By Kenneth Gosling

A big commercial sponsor offered the National Theatre support totalling £750,000 but the offer was rejected because it wanted the theatre to distribute literature seeking custom from subscribers, Lord Rayne, chairman of the theatre's board said last night.

Giving evidence to the Commons Select Committee on Education, Science, and the Arts, he spoke of the risks in commercial sponsorship, particularly dependence on such money without having long-term security.

Lord Rayne told the committee, which is investigating public and private funding of the arts, that the theatre was recently offered £250,000 a year for three years. He did not name the company but said that it was exploring alternative means of providing the same amount of commercial support without the same kind of commercial exploitation.

## 'Panorama' claim over Dublin summit

Mrs Margaret Thatcher and Mr Charles Haughey, Prime Minister of the Irish Republic, discussed a new constitution for Northern Ireland at the Dublin summit last December, it was claimed last night.

The BBC television programme *Panorama* said the British Government does not want a united Ireland but a wider constitutional arrangement in which Dublin and Westminster would exercise a form of joint sovereignty. The first step would be the

creation of an Anglo-Irish Council with ministers and MPs from Westminster and Dublin, the programme said. The programme said the Government's strategy was to bypass the Unionist veto by talking directly to Dublin.

## Avoid legal aid waste, justices' clerks told

By Marcel Berlins  
Legal Correspondent

Lord Hailsham of St Marylebone, the Lord Chancellor, has issued a reminder to magistrates' courts to ensure that criminal legal aid gave value for money and was not granted unnecessarily.

In an administrative circular sent all justices' clerks, Lord Hailsham canvasses a number of areas where, he feels, the system is wasteful.

It was essential to do everything possible to reduce the time spent by solicitors in court waiting for their cases to come up, he says. An analysis of the total cost of legal aid in the magistrates' courts, estimated at £40m this year, showed that about a fifth of the bill, £8m, was spent in paying for waiting time.

The Lord Chancellor urges closer co-operation in the listing of cases between solicitors and court officials.

Solicitors did not need to turn up at court every time their client was remanded, he goes on. Their attendance was unnecessary if the remand was formal.

Unnecessary duplication of work also gave rise to waste, he said. Applications by defendants to change their solicitors, or if there were more than one

defendant, for separate legal representation, should be investigated carefully.

Applicants for legal aid were entitled to have doubts arising from their claims resolved in their favour, but they are not entitled to the benefit of those doubts on the strength of vague applications, the circular says. If the ground claimed for needing legal aid is that conviction would result in the real possibility of a prison sentence (one of the criteria for granting aid) the applicant should specify the reasons why the jeopardy existed. It should not be enough merely to state the ground.

In general, Lord Hailsham says that "decisions on the grant of legal aid should be taken on the basis of an adequate knowledge of the facts, and the arrangements must be such that the courts are properly acquainted with the precise nature of the charges and the grounds of the application, if necessary by calling on the prosecution for information."

The Lord Chancellor emphasizes that he has not yet reached any conclusions on wider-ranging changes into the criminal legal aid system, which his department has been considering.

## Union advises BL staff to ignore dismissal

From Clifford Webb  
Birmingham

While car unions at BL are planning a new confrontation with management tomorrow over compulsory redundancies at the group's Longbridge car plant.

The have advised staff employees that redundancy notices, expire tonight to prevent themselves for work as usual. If they are refused admission or ejected the unions have threatened to step up industrial action, which included a two-day strike by most of the 500 staff last week and a long union ban on overtime working.

Mr William Lithwaite, Longbridge chairman of the Association of Professional, Executive, Clerical and Computer Staff (APCCS), said, "If BL attempts to throw workers off the plant we will all come out and stay in."

The issue could become a stalemate however if, as seemed

likely last night, management avoids a confrontation by allowing the redundant men to do nothing. The hope would be that they would soon tire of reporting for work and not getting paid.

Shop stewards said feelings were running very high among staff and it was possible that selective strikes would begin today as a warning.

BL said that 102 compulsory redundancy notices were issued last Tuesday to become effective tonight. Men were told they could leave sooner if they wanted and about half that number had gone.

"Management has no intention of reversing its decision", the company said. "Similar redundancies have been accepted without trouble at other plants in BL Cars."

By tomorrow BL will have completed the 4,250 staff redundancies originally sought. It is understood that only 500 were compulsory.

## Rastafarian 'died from negligence of authorities'

by a Staff Reporter

An independent committee of inquiry set up into the death of Richard Campbell, aged 19, black Rastafarian, in Ashford command Centre last year has

decided that he died from the negligence of the authorities. The report of the inquiry, ordered by Battersea and Wandsworth Trades Council, is presented to Lord Beland, Under Secretary of State for the Home Office, today. It rejects the coroner's verdict

## 17,000,000 meals served in a year

The Women's Royal Voluntary Service last year supplied

17,000,000 meals on wheels to homes and luncheon clubs as part of its expanding service to the deprived, elderly and handicapped.

The group also issued nearly 1,500,000 items of clothing to 234,000 people. The annual report announced that the new chairman, after the resignation of Lady Pike, would be Mrs Barbara Shenfield, vice-chairman since 1975.

## Dinghy couple criticized

A couple's failure to take elementary precautions before sailing into the Atlantic in a rubber dinghy led to a tragedy, which one of them drowned, sheriff ruled yesterday.

Giving his verdict at Oban Sheriff Court after a fatal accident inquiry into the death of Margaretta Zehnder, of Ingart, West Germany, Sheriff Donald McDiarmid said: "Zehnders appeared to be oblivious to the fact that their intentions, they being out into the open

"They were not wearing waterproof clothing nor carrying life jackets or distress flares. It is almost unbelievable that two responsible adults did not consider any of these elementary precautions necessary."

Mrs Zehnder's body was found near the island of Coll a day after she and her husband, Robert, left the island of Mull to sail around Iona.

"Mr Zehnder said his wife was at the rudder when the boat overturned in the wind," the sheriff said. Police examined the dinghy later and found the pin securing the mast has snapped

## Premium Savings Bonds

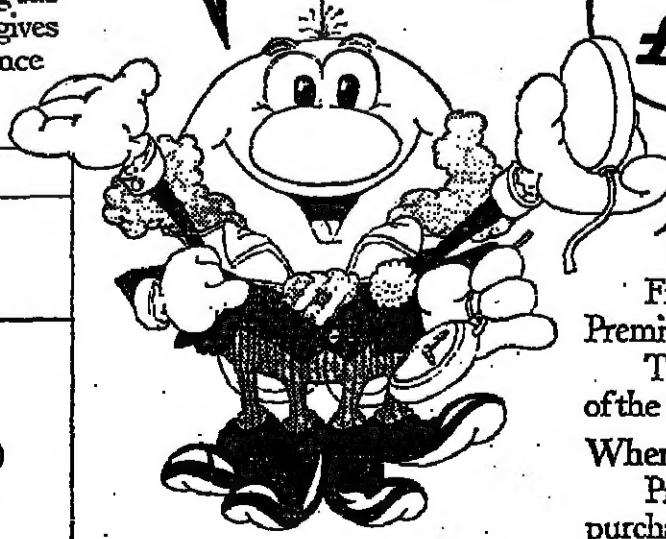
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New Prize Structure	
EACH WEEK Top Prize £100,000	
1 Prize of £50,000	1 Prize of £25,000
EACH MONTH Top Prize £250,000	
5 Prizes of £10,000	750 Prizes of £500
50 Prizes of £5,000	25,000 Prizes of £100
250 Prizes of £1,000	75,000 Prizes of £50
A total of over £8 million every month - and tax-free!	



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## Labour MP demands inquiry into 1968 'coup' meeting

By Michael Hatfield  
Political Reporter

The Prime Minister was asked yesterday to set up an investigation into allegations that there was a plan to overthrow the Government in 1968 when Sir Harold Wilson was Prime Minister.

Mr Edward Leadbitter, Labour MP for Hartlepool, wrote to Mrs Margaret Thatcher stating that alleged discussions involving the late Lord Mountbatten of Burma, Mr Hugh Cudlipp (now Lord Cudlipp), Mr Cecil King, and Sir Solly Zuckerman (now Lord Zuckerman) suggesting the subversion of a democratically elected Government "was the view of many represents an act of treachery."

He stated that while Mrs Thatcher was not responsible for what was reported in the press "it is quite clear from the statements made by Sir Harold Wilson and others that there must be some action to set at the facts."

"Either an attempt to plan the overthrow of a Government existed or it did not. The nation must know if it is one or the other."

Giving evidence to the Security Commission was not enough, Mr Leadbitter said. "I believe the nation has now had enough of cover-ups in high places. Serious offences have been committed without punishment for a selected few who seem to consider themselves above the law."

"Some appear to have made money out of it. Indeed, some involved in the subversion may still be in high office. A specific investigation is needed."

Cudlipp denial: The claim that Lord Mountbatten was involved in discussions about a possible coup against the Wilson Government was strongly denied yesterday by Lord Cudlipp, former head of the IPC newspaper group and one of those present at the alleged discussions (David Nicholson-Lord writes).

In his first statement on the allegations made in *The Sunday Times*, Lord Cudlipp said there was no mention at the May, 1968, meeting of a military coup, although Lord Mountbatten was hoping at that time for a "massive resurgence of the British spirit."

Neither he nor Mr Cecil King, his predecessor as head of IPC, for whom Lord Cudlipp had arranged the meeting with Lord Mountbatten, had heard anything of a military plot. To connect Lord Mountbatten's name to it was "infamous."

Lord Cudlipp's version, which broadly reiterates the account given in his autobiography in 1976, has been supported by Lord Zuckerman, former chief scientific adviser to the Government, and also by Mr Richard Hough, Lord Mountbatten's biographer.

It is at odds, however, with the claim by Mr King that Lord Mountbatten instigated the meeting.

Letter, page 17

## Faster BR services to Europe

By Michael Bailey  
Transport Correspondent

British Rail yesterday announced faster passenger services to Paris, Brussels, and other European centres.

Under the name Inter-City Europe, new ship and train schedules are being introduced this week in cut nearly four hours off travelling times to some northern European cities, accompanied in some cases by fare reductions of up to a fifth.

The London-Paris service is being cut this week from about six hours to five hours by introducing a new train from London to Dover, and new 100 mph turbo-trains from Dover to Paris. The big Seapacer locomotive will link the two cities in 40 minutes.

## Nurses ban visits at Rampton

By Lucy Hodges

The 600 nurses at Rampton high-security hospital in Nottinghamshire are taking industrial action after the conviction of a nurse who was found guilty of breaking a patient's jaw.

That means that the 800 patients are confined to their wards and that friends and relatives who travelled to Rampton over the weekend were not able to visit patients.

MIND, the mental health charity, said it had ill for the reforms called for by Sir John Boydell in his critical report of the hospital last year, and which have been accepted by the Government.

The work-to-rule by the Prison Officers' Association, which represents the nurses, stems from a meeting of the association on Friday. It is understood the nurses feel strongly that they are not protected by the law after the conviction of Mr Gerald Bowditch last week.

Mr Bowditch was found guilty by the Crown Court of grievous bodily harm to a patient by punching him and breaking his jaw. He was sentenced to nine months imprisonment, suspended for a year.

That is the first case to have been decided in a series of brutality allegations against nurses as a result of a Yorkshire Television programme that listed 800 instances of alleged ill-treatment of patients. Three nurses face charges and a further 35 cases are being considered by the Director of Public Prosecutions.

The work-to-rule consists of a refusal to accept patients anywhere or accept new admissions as well as a ban on patient movement.

Because visiting takes place in the recreation room and involves patients leaving the wards, that too has been banned. About 40 friends and relations turned up at Rampton on Saturday to be told they would not be able to see patients.

The management met the association yesterday. Mr Derek Atha, the hospital administrator, said he hoped the action would not be prolonged.

Mr William Whitelaw, the

## Christie's sale will aid craft centre and a Mexican jungle tower with equestrian aviary

## Millionaire Surrealist who put Salvador Dali on contract

By Geraldine Norman  
Sale Room Correspondent

"I bought most of the paintings off the artist's easels as they painted them, either in my houses or theirs," Edward James said yesterday of the superb Dali and Magritte he put up for sale at Christie's. "I should think I paid around £100 a time."

Then I put Dali on contract for a year, he added, brightening up. "I paid him £1,000 a month to paint less pictures. He was painting quick sloshy pot boilers for the money. We had an understanding that he was only to paint two pictures a month while on contract."

Mr James, a millionaire at the age of five, was the patron and friend of the great Surrealist painters at the height of the movement in the 1920s and 1930s. He was Edward VII's godson; he is credited with being either the king's son or grandson on the wrong side of the blanket.

While his friends painted Surrealist pictures he lived, and continued to do so, by the Surrealist credo. He lent his home in Wimpole Street successively to Dali and Magritte before 1918.

The fine eighteenth century furnishings were enhanced by four homely carved Louis XV mirrors; at the foot of a light switch four Magritte gazing appeared behind the mirrors.

On his parent's 6,000-acre estate at West Dean in Sussex he contented a small Lutyens house into a Surrealist dream with palm tree pillars, chimney stacks and a reproduction of the Grinling Gibbons ceiling to which he added "a few gold and silver pheasants."

Next he migrated to California in search of Buddhism, becoming close friend of Aldous Huxley and developing a mystic, disenchanted with American mystics, he met off about 25 years ago to build Surrealist palaces in the heart of the Mexican jungle. His extraordinary complex of coffee groves, towers, aviaries and temples is still his home and consuming interest.

The first slice of the proceeds of yesterday's sale is to go to the Edward James Foundation, a charitable trust to which he gave his West Dean estate and his British possessions in 1964, and his British possessions will be devoted to completing two partially built towers. One has four stories but seven are intended. On top of the tower stands a pyramid and on top of the pyramid a vast fibre-glass horse modelled on Leonardo's equestrian statue in Milan that was destroyed by the French during the Napoleonic wars.

But it will be more than a horse. It is to contain an aviary and it will be lit up at night to reveal the exotic birds flying around.

The Mexican estate is bequeathed to his four adopted children, a boy and three girls, the children of local Mexican Indians whom he adopted from birth. The eldest is 23.

The James Foundation in Britain has called on the proceeds of the sale because of his ambitions for it as a craft centre.

He admits to anxiety

## New York dealer pays record price for a living artist's work

By Our Sale Room Correspondent

A painting by Salvador Dali became the most expensive work by a living artist sold at auction when it fetched £360,000 at Christie's last night.

"Le Sommeil" was painted in 1931. The buyer was Alexander Iolas, a dealer of Greek origin with galleries in New York and Paris, who has supported the Surrealist movement for a long time. The under-bidder who ran him up to the unlooked-for price was Leslie Waddington, a London dealer, who was bidding around on his seat with an agonized look on his face. Christie's had been suggesting a price of about £150,000.

"Le Sommeil" was the star work among 28 paintings from the collection of Edward James, the millionaire, aged 73, who was a close friend and patron of the Surrealists in the 1930s. Christie's suggestion that the group of paintings was worth £1m was proved more than conservative; they brought £1,737,700.

Mr James, although in London, did not attend the sale. "It is too dangerous. I might start bidding," he said before-hand, Christie's, however, was packed with millionaires and their representatives, sweating from fear at risking so much money on mere works of art and from the heat of the television lights. Two extra rooms had to be linked with the main auction room by telephone. The biggest buyers were Iolas, who secured six lots, and an unnamed private collector bidding through one of Christie's staff, who secured five.

Dali had been lent Mr James's Wimpole Street home in the 1930s and painted a superb group of small luminous paintings that his patron secreted behind the panelling of his dining room. At a touch of a button the panelling slid back and

the paintings were lit up. Most expensive among those tiny paintings was "The Solitude of Flower-covered ruin of 91st", a flower-covered ruin of a car among a group of ruined arches. It sold for £145,000 (estimate £70,000 to £90,000) to an anonymous Swiss buyer. The cheapest was a group of mounted warriors arranged in a pattern forming a woman's face: "Tête de femme ayant la forme d'une bataille" (sin x sin). It went to a private collector at £25,000 (estimate £20,000 to £30,000).

The second highest price of the sale was £170,000 (estimate £100,000 to £140,000) paid by Waddington for Dali's "Baigneuse de la ville paranoïaque-critique". It is an architectural fantasy with his wife, Gala, holding a bunch of grapes in the foreground and dates from 1936.

Several works by Magritte were also offered: a door with a cloud coming through it, the most popular at £43,000 (estimate £16,000 to £20,000).

The mixed property sale that followed the James collection proved in its way to be an even more surprising success. Pictures of mixed quality made a total of £324,100, with only 10 per cent unsold.

Two private collectors fought a determined battle for possession of the star work, Renoir's "Baigneuse debout", running the price to £820,000. It depicts a pretty naked girl and dates from 1896, not a period of Renoir generally considered his most outstanding. The price sets a new auction record for artist's work.

A brightly coloured boating scene by Maurice de Vlaminck also brought an auction record for the artist at £140,000 (estimate £70,000 to £90,000). Entitled "Les barques", it was painted in 1907.

Other sale room news, page 18



A detail of Renoir's "Baigneuse debout", which made £820,000 at Christie's last night, a record for the artist.

## In brief

### Two killed in coach crash

Two passengers were killed and 23 injured when a coach carrying sleeping holidaymakers overturned near Cambridge early yesterday.

No other vehicle was involved. The coach was bound for Doncaster, South Yorkshire, with 50 passengers. The dead were Mrs Sarah Haith, 58, of Evelyn Avenue, Intake, Doncaster, and Teresa Garra, of Scot Avenue, Conisborough.

### Cattle bar eased

Restrictions to prevent the spread of foot-and-mouth disease have been partially lifted in Jersey, allowing farmers to graze their cattle in fields for the first time in 12 days. Since March 19 there have been no further outbreaks.

### Opera bells found

Three bells, which were stolen from the Royal Opera House, Covent Garden earlier this month, have been discovered at the Whitechapel Bell Foundry, east London. The bells were cast specially to fit in with the music of particular operas.

### Actor remanded

Lewis Collins, the actor who plays Bodie in the television series *The Professionals*, was remanded on bail until May 11 by Hendon magistrates accused of discharging a firearm with intent to endanger life at his home in Park Avenue, Golders Green, north London.

### Musical postponed

The opening night of *Cats* the new Andrew Lloyd Webber musical, has been postponed from April 30 until May 11 because Judi Dench, the actress, is in hospital after an operation on a tendon torn during rehearsal.

### Siege awards move

Two police marksmen are being recommended for bravery awards for their action at the Gail Kinchin siege in Birmingham. They are Det Sergeant Thomas Sartin and Det Constable Gerald Richards.

### Roman museum

A Roman Army museum, converted from a derelict farm standing alongside Carboras Fort, near Greenhead, Northumberland, opens tomorrow.

### Tunnel to reopen

Rotherhithe tunnel, London, which has been closed for six months for repairs costing £2m is to reopen on Thursday. About 17,000 drivers used the tunnel each day before the closure.

## Sex activities alleged at children's centre

Teenage boys and girls were allowed to share bedrooms at a Liverpool assessment centre for children in a case of alleged sexual activities. A boy, aged five, saw two older children having sex and a girl, aged 13, was sexually assaulted by a boy, aged 14, it was said.

Council officials investigating the charges are to interview staff and children at the New Heys assessment centre, 25 Allerton Road, which houses 25 boys and girls from broken homes.

The allegations were made in a report by Councillor Bob Gregory, a local organizer for the National Children's Home, who said three of his members made the revelations.

ask whether the present intention of the Welsh language fourth channel programme operation simultaneously with the general fourth channel in Wales will turn their aerials.

"It is correct that already 67 per cent in north-east and south-east Wales have erected aerials which point away from Wales and if it is correct that 200,000 households are on cable because otherwise they cannot receive transmissions from England, who among English-speaking Welshmen will be looking at HTV Wales and BBC Wales?"

"Are we embarking on an expensive huge cost which may give Wales an extended and needed Welsh-speaking programme but leaves BBC Wales and HTV Wales stranded talking to themselves. This would mean after all the tumult and passion the controversy would end in sheer farce, and indeed an expensive farce."

He said: "We are bound to

## \$5,000 fine for 'Guardian' in contempt case

The *Guardian* newspaper was fined \$5,000 for contempt of court yesterday over an article which led to a fraud trial at the Central Criminal Court being abandoned after 127 days.

The newspaper's sincere regret and apology for what it said was an honest mistake were accepted by the High Court. But Lord Lane, the Lord Chief Justice, said: "The fact is that thousands of pounds in costs were thrown away by this stupid action and by this court failing to take precautions which were perfectly simple to take."

The article had disclosed that two men on trial had previously been concerned in an escape from custody. That information had been kept from the jury.

Mr Simon Brown, QC, for the Attorney-General, said the article, published on March 19, 1979, brought a long and expensive trial to an abrupt and abortive end after 127 court days.

It had concerned five men accused of fraud on a gigantic scale. The indictment referred to hundreds of billions rather than mere millions of dollars. Four of the accused were acquitted at a later trial.

The article, written by Mr Alec Hartley, related to the capture of an Italian who had escaped from detention in London with two other Italians. All three were among those accused.

Mr John Mathew, QC, for the defence, said it was never suggested that any of those concerned with the article had any intention of prejudicing the trial.

Provincial paper fined, page 9

## Complaint by Lady Lucan upheld

An article about Lady Lucan in *Woman's Own* was intended to give the false impression that it was an interview, the High Court has ruled. In the circumstances in which the article took place that was disgraceful, the council decided.

It said the magazine failed to resist the temptation to use material obtained during exploratory talks with Lady Lucan about a commercial arrangement which was never made.

The council upheld two complaints about the article—that it gave the false impression it was based on a contemporary interview and that it intruded into her and her children's privacy and quoted one child without her consent.

The council rejected a further complaint by Lady Lucan that the editor failed to correct inaccuracies.

Negotiations about a possible article had begun between Lady Lucan and *Woman's Own* representatives, including Miss Jane Butterworth, but Lady Lucan eventually said she would rather leave the project for the time being.

A coverage announcement, "LADY LUCAN, Why she hides from the world", then introduced a report by Miss Butterworth on how Lady Lucan was managing to survive the anguish of a murder, debt, scandal, and police inquiries.

When Lady Lucan com-

plained the new editor, Miss Iris Burton, explained to her that when she declined to give an exclusive life story the acting editor asked Miss Butterworth to base a feature on her own journalistic impressions and published material. Miss Burton hoped the article up-dated Lady Lucan's history and in its own way wished her well.

Outlining Miss Butterworth's meetings with Lady Lucan, Miss Burton said the published article contained nothing particularly original and was not described as an interview, although *Woman's Own* tried to make it appear as contemporary as possible.

At an oral inquiry Miss Burton said they were justified in presenting an updated feature adding colour to a story already available without direct quotes. The one direct quote was innocent and not a breach of confidence.

Asked whether Lady Lucan's quoted remarks did not give the impression of an interview, the editor said some elements of the article were in fact the impression of meetings but not of an interview with many quotes.

Extracts from the Press Council's judgement, are: "There is no doubt that Lady Lucan's *Woman's Own* interview for publication. She met the writer of the article, Miss Jane Butterworth, on October 31, 1979, to discuss the possibility of making a contract to give an

## Meaningful English: An ongoing scenario

By David Nicholson-Lord  
Bernard Levin, Salford council and the 1981 census emerged yesterday as the latest targets of those campaigning to cleanse the English language of euphemism, jargon and circumlocution.

That was disclosed when the Plain English Campaign, an on-going campaign to promote less cluttered official English, the manual costs £15 and is aimed at all organisations, the attempt, and usually fail, to communicate with the public.

Those include, it appears, the Department of the Environment, the Civil Service and Customs and Excise—the three main arms of Government have ordered the manual. The Civil Service staff college also said to believe the manual could benefit administrative trainees, the service's elite, too.

Some of the fiercest criticisms yesterday were reserved for the census and the army of enumerators charged with conducting it. The Plain English Campaign says the census form suffers from over-commitment and writing, a distinct, intimidating tone and a somewhat dehumanised terminology.

Mr Martin Cuts, one of the campaign's founders, listed the charges at a press conference. There were "hundreds" of questions instead of the 16 claimed, he said. The form described people as "persons". Some of the requests were "involving a respondent's whereabouts on the night of 5-6 April, 1981, savours of police inquiry."

Mr Cuts also quizzed the census designation "enumerator". He had to look up the word in the dictionary when he first heard it, he said.

"They have had about 1 years since the last census think about something as awkward," Mr Cuts said. "I had had the same. I am an enumerator. I have come up with something better." He suggested "census collector".

He went on to describe the worst pockets of resistance to the spread of pellucid English. Those were chiefly insurance companies and the police. Notably that in Salford, which recently drew only 12 people to a public meeting at the Great Cheetham Street Local District Consultation Plc. So obscure was that document that the council was unwilling to pass it from those few present he asked what it meant.

He conceded, however, that the council suffered from having the Salford Town Hall, headquarters of the campaign, on its doorstep. "We collected so many hundreds of examples of their appalling forms. They probably feel a bit browned off with us."

As for the third target, Mr Levin's name was pressed by an unnamed, perhaps envious, fellow journalist, but the Plain English Campaign did not noticeably demur.

## Fear of farce over 'parasitic' cost of Welsh television

The Welsh-language fourth television channel issue has already frightened the Government because of the nationalistic and linguistic passion it has unleashed. Faced with a hunger strike and civil disobedience, the Government in its first demonstrable U-turn conceded the single channel solution after admitting it had failed to carry the middle ground of opinion. It went further and stated bluntly that the fear of violence had made it drop its own plans for the two channels.

The surrender brought peace to the Principality. But now the Government is faced with a new controversy for 14 of the 15 independent television companies have made it clear that they are extremely unhappy about founding the new service.

Written evidence to the Parliamentary Select Committee on Welsh Affairs the companies complain that financing the ser-

## Regional report

Tim Jones  
Cardiff

vice will be "an unacceptable further burden on an industry which will be fighting off substantial losses in the near future."

According to Sir Denis Forman, joint managing director of Granada, the estimated £15m cost of providing the minority service in Wales could threaten the whole fourth channel project.

Sir Denis and his colleagues cannot see the new service in Wales ever being profitable, and contend that it should therefore be treated as a social service paid for by the Government.

Mr William Whitelaw, the

## MPs told why hospital beds are empty

By Nicholas Timmins  
About a thousand beds in the hospitals that health authorities cannot afford to run might still be empty in a year's time, the Commons public accounts committee heard yesterday.

In one case some of the beds might remain empty until 1985. The information was given by Sir Patrick Nairne, permanent secretary at the Department of Health and Social Security, who was giving evidence to the committee.

A recent report from the Comptroller and Auditor General showed that about 1,900 hospital beds in England and Wales, some of which were due to have opened

in 1977 and 1978, have had to remain unused. Some of those are now in use.

Sir Patrick said that in the case of University Hospital, Nottingham, where 1,000 beds were due to come into use from 1979 onwards, the health authority had decided to bring into use 250 a year over a four-year period. That meant the new hospital would not be used fully until about 1985.

At the new Felling District Hospital, West London, 46 out of 406 beds have still not had a date fixed for them to be used, and the same applies to 41 beds out of 398 at Keiringer General Hospital, Northamptonshire.

At the Derriford District

General Hospital, near Plymouth, 319 beds will start being used this year, but the last 34 will not be used until 1983 or 1985, while no date has been fixed for 51 beds at Whitney Hospital, Oxford, which was due to open in 1979.

Sir Patrick rejected a suggestion from Mr Michael Morris, Conservative MP for Northampton, South, that the health service had failed the nation by leaving beds empty.

Sir Patrick said there had been a marked change in revenue expectations since the time the hospitals were planned. Revenue growth had fallen from 3.75 per cent in 1973-74 to an average of 1.9 per cent in 1979-80.

At the Derriford District

## Surrey robberies rose by 24% last year

Robberies in Surrey rose by 24 per cent in 1980, Sir Peter Mathews, the chief constable, said in his annual report published yesterday. He described it as a "mean and vicious age". However there was a glimmer of hope in the increase in detection of robberies from 25 per cent to 40 per cent, he said.

There were four murders, 77 robberies, the highest recorded in the county, and 904 serious assaults during the year.

The special crime patrol arrested 367 people for burglary and other serious offences in 1980.

Professional criminals travelling from London and neighbouring areas were responsible for much of the county's serious crime. Of the people arrested, 85 per cent were from London.

"It became clear that professional criminals were far more inclined to use violence."

Sir Peter gave a warning that financial restraints would make law enforcement more difficult in future.

## Moonies' case verdict is expected on 100th day

By Frances Cobb  
After six months of evidence from more than 100 witnesses, the jury in the libel action involving the Unification Church (Moonies) and Associated Newspapers at the High Court retired yesterday to consider its verdict.

The jury deliberated for an hour before retiring to an hotel for the night, and is expected to deliver a verdict today, the 100th working day of the trial.

Mr Dennis Ome, aged 42, the leader in Britain of the Moonies, is claiming damages over a *Daily Mail* article in May, 1978, alleging that the Unification Church brainwashed converts and broke up families. Libel is denied.

Total costs in the case, which is being seen as a test for further libel actions pending against other newspapers, including *The Times*, are estimated to exceed £500,000.

Mr Justice Connolly, summing up for the third day yesterday,

told the jury that it had three choices when it came to assessing Mr Ome.

"You can find him to be a decent, straight, honest, upright, truthful, accurate man, a man who has suffered for years from the slings and arrows of outrageous media; a man who had literally almost come up smiling."

Alternatively, the jury could find him to be a thoroughly deluded man, basically honest but deluded into taking up a nonsense, a so-called religion, the Unification Church.

"Or you can find Mr Ome to be involved in the libel confidence trick which the Unification Church has been practising, and is practising, in a big way," the judge said.

The jury could find him to have been a part of that confidence trick from the start, or to have been deceived by the start, and by now to have become a part of that confidence trick.



# Saudia-Leyland win again using Mobil engine oil.

Congratulations to the  
Saudia-Leyland racing  
team on their victory in  
the Brazilian Grand Prix,  
following their triumph  
in the US Grand Prix (West).

# Mobil



# Race group accused of not using powers

By Lucy Hodges  
Mr Alexander Lyon, Labour MP for York, said yesterday that the Commission for Racial Equality (CRE) had been given the biggest powers in the Western world to combat racial discrimination but had not used them.

He was questioning Mr David Lane, the commission's chairman, and five other senior CRE officers at the opening session of the inquiry by a Commons subcommittee into the commission's operation and effectiveness.

The CRE, which was closely questioned, was accused of not paying enough attention to its law enforcement role. "What have you done with these powers?" Mr Lyon asked. "Out of 224 staff you have 53 in the equal opportunities division, of whom only four are legally trained."

"In four years you have announced 45 strategic reviews out of which you have completed 10 and those are the least important ones," Mr Lyon said. It would have an immense effect on race relations if the CRE could produce an important document showing that British Leyland or Massey Ferguson was discriminating in relation to language testing. It would also have a ripple effect.

The commission is formally investigating both companies for alleged racial discrimination in recruitment. It has also issued a non-discrimination notice against British Leyland. Mr Lane totally rejected the criticisms. He said the commission had done useful law enforcement work but the CRE's promotional role, persuading local authorities and employers to pursue certain policies, was a vital supplement.



"We gave you the biggest powers in the Western world in relation to law enforcement. What have you done with them? Out of 224 staff you have only four who are legally trained."

Mr Alexander Lyon



"It looks as if the CRE is a soft touch for any karate club whose members are black or coloured. How can you justify acting as a kind of coloured Sports Council?"

Mr George Gardiner



"We cannot transform the race relations scene on our own. The rate of progress will depend not only on our effectiveness but on the vigorous involvement of others, particularly government."

Mr David Lane

## GRANT-AID DISBURSED BY THE CRE

The following project-aid grants were approved by the commission in 1980:

Burdett Toy Library—Multi-Racial Home Project	£600
Black Theatre Cooperative—Mama Dragon	500
Dominican Joy Spreaders—Cultural Club	500
Ebony Steel Band—London W2 Notting Hill Carnival (80/81)	1,000
Housewives in Dialogue—London	950
Islington Under Two Working Party of the Islington Under-Fives Group	600
Progressive Writers Association, Southall	2,300
Polish Folk Dance Group—Slough	1,250
Rastafarian Advancement Society—Football Team	300
—Film Club	300
Union of Muslim Organisations in UK and Eire—salary	7,899
World Punjabi Conference	2,300

"In our judgment and in the judgment of the commissioners, we would be very irresponsible indeed if we neglected the changes we would bring about in our promotional work."

Mr Lane quoted the results, just collected, of an Opinion Research Centre survey which found that 61 per cent of people had heard of the CRE, of whom 40 per cent said it was doing a

good job. Of the 61 per cent, 38 per cent did not know what they thought and 22 per cent said it was not doing a good job.

Mr George Gardiner, Conservative MP for Reigate, was unhappy about the way the commission made public pronouncements about the Bristol riot last year and the nationality Bill. He also complained about some of the projects which the

## CRE's Investigations

1. Pembroke and Pembroke employment agency
2. London Borough of Hackney's housing
3. National Bus Company
4. Amari Plastics
5. Smith and Nephew Associated Companies
6. Unigate
7. Berkshire's education policy
8. Second Collingwood Housing Association
9. Slough local authority
10. Chubb and Sons
11. USMC International
12. Prestige Group
13. Massey Ferguson Perkins

## 14. BL Cars

15. Percy Ingle Bakeries
16. Zone Insurance Co
17. Allocation of public housing with reference to work permit holders
18. Hillingdon local authority housing
19. Phillips Electronic and Associated Industries
20. Bondina and National Union of Dyers, Bleachers and Textile Workers
21. Dunlop polymer engineering division
22. Birmingham area health authority
23. Mortgage allocation in Rochdale

## 24. Rank Leisure Services

25. Birmingham education authority
26. Brook Street Bureau
27. Taxis in Birmingham
28. West Yorkshire passenger transport executive
29. Walsall local authority housing
30. Tottenham trades and social club
31. Westminster city council and NUPE dustmen
32. Symbion community council for treatment of gypsies
33. Home Office, immigration service
34. To be announced.

of coloured Sports Council?" Mr Clifton Robinson, the commission's deputy chairman, said all the grants were carefully scrutinised.

Mr Lyon suggested that the commission should drop the £1m of its £7m budget it gave to such groups and put it to better use on law enforcement.

which is chaired by Mr John Wheeler, Conservative MP for City of Westminster, said that he would be visiting the CRE's offices next week and Mr Wheeler said it would like to look at some of the commission's files.

Mr Lane said the CRE could not transform race relations on its own and need the help particularly of central government.

## Fitter on murder charge

Richard Andrew Barnes, aged 21, an office fitter, was accused yesterday of murdering Mrs Heather Anne Bridge.

Mr Barnes, of no fixed address, appeared before the Birmingham stipendiary magistrate. He was remanded in custody until April 7. The body of Mrs Bridge, aged 39, of Mel-

bourne Road, Walsford, was found in the boot of a car outside a bookshop in Digbeth, Birmingham on Friday.

Mr Barnes was also charged with causing criminal damage to the bookshop, and with attempting to murder Mr Karim Hussain, who was shot through the neck with a cross-bow bolt in Small Heath.

## Parents to be told about school choice

More information for parents choosing a school for their child is to be made available under regulations which the Department of Education and Science hopes to publish by Easter.

The regulations, now in draft form, will lay down the minimum level of information that local authorities and schools must provide to parents. It also includes details of their admissions and appeals arrangements.

Local authorities, teacher unions, parents and other interested groups have been invited to comment.

Local education authorities will have to publish general information about their policy and arrangements for primary and secondary education, or details of their admissions and appeals arrangements.

Detailed information about individual schools required to be published will include: the curriculum; subject choices; policy on discipline; the wearing of uniform; the main extra-curricular activities; policy on entry for public examinations; recent GCSE O and A level and CSE results and pupil numbers.

## Welsh pupils have high failure rate

From Tim Jones Cardiff

Almost a quarter of the children in Wales leave school after 11 years of full-time education without a single qualification, according to Welsh Office figures.

Mid Glamorgan, where more than 100 of the schools were built at the turn of the century, has by far the worst record. In that county a third of the 37 per cent of boys who leave school with nothing do not even bother to sit examinations and 32 per cent of the girls failed to get a single pass.

In rural Powys the next worst county, the failure rate is 25.9 per cent for boys and 23.8 for girls. Dyfed, another rural county, has the best record with just over 18 per cent.

Yet even that does not compare favourably with the worst English region, the West Midlands, which has an average of 16 per cent of pupils registering failure. England's overall percentage is 12.7.

However, in Wales CSE and CSE examinations in the same subject coincide, preventing children from having two chances of gaining qualifications.

Of the brighter pupils 23.9 per cent in Wales get five GCSE O level higher grades compared with 24.8 in England.

## New party 'unlikely to abolish the independent schools'

From Diana Geddes Sheffield

The Social Democrats were unlikely to seek to abolish the independent schools, but might encourage their integration within the maintained sector, Mrs Shirley Williams said yesterday.

Addressing the annual conference in Sheffield of the Secondary Heads' Association, Mrs Williams said that she was in favour of abolition. "I have been driven back to this in despair," she said, but she knew that she was undoubtedly "the most way out of the Gang of Four" on that point.

She thought that her colleagues would go along with the abolition of charitable status and the offer of integration within the maintained sector, but not with the abolition of all fee paying. "And I am willing to go back again and try," she added.

However, she deplored the highly segregated nature of British society. It was a tragedy that, outside the world of film and pop music, we simply did not know how to speak to one another. She believed that those divisions in society grew all too easily out of the segregation of pupils in independent and maintained schools.

She urged independent schools to do more to help bridge that gulf by, for example, setting up exchange visits under which a comprehensive school pupil would board at an independent school for one or two terms, and an independent school pupil would attend a comprehensive school and lodge with a family with a totally different background from his own.

The best of the independent schools were deeply worried about the growing alienation between themselves and mainstream schools. She believed that some independent schools would be willing to become sixth form colleges within a maintained system.

On local government finance, Mrs Williams said that he Social Democrats wanted to replace the rating system with one based on local income.

Mrs Williams went on to put line an embryonic education policy of the Social Democrats. They were committed to the comprehensive reform of secondary schools, but had not decided what to do about those authorities which wanted to retain their grammar schools. She felt a wide variety of solutions might be possible, but in her opinion all would have to involve the abolition of selection.

Within a comprehensive system, however, parents should be given as wide a choice of different types of school as possible. They should, for example, be able to choose between schools of different denominations, whether single sex or mixed, and of different styles and disciplinary procedures, though she would ban all corporal punishment.

For 16 to 19 year olds, he favoured the establishment of tertiary colleges combining vocational and academic courses, and the phasing out of sixth forms.

Turning to examinations, he called for the replacement of all public examinations at 6, with a mixture of internal school examinations, continuous assessments, and pupil profiles.

She also called for a broadening of the A level curriculum to include at least two minority subjects as well as two majority subjects, so as to ensure a mix of science and arts for each pupil. For all A-level pupils, she favoured a "foundation" year which would include up to two thirds broad vocational training.

It was "madness" for Britain to have so many unskilled school-leavers when almost all new job opportunities were for skilled youngsters in Germany more than 90 per cent of youngsters went through a three-year training, compared with only 16 per cent getting any training in Britain.

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## Mr Carlisle a disaster, student leader says

By Our Education Correspondent

Mr David Aaronovitch, president of the National Union of Students, last night called on Mr Mark Carlisle, Secretary of State for Education, to resign for having allowed education to bear the "lion's share" of the Government's spending cuts.

Speaking at the opening of the union's national conference in Blackpool, he said: "Despite being an affable man, he is proving to be the biggest disaster that we have ever had at the helm of the department, spending hundreds of millions to transfer dons into early retirement, and presiding over the running down of large sections of the education system."

The union should seek actively to involve trade unions and other sections of the community in its campaign against the cuts in further and higher education, he told more than 1,000 delegates representing the union's 1,200,000 members.

Unless large sections of the people were won over to regarding post-school education as essential, the students' cause would suffer not just under the present government, but under any government, whatever its complexion.

"We cannot do it on our own. Just as we must support those trade unions fighting for jobs, we must urge them to take up the cause of education. We must build on our link with the TUC and with trade councils," he said.

The union would launch a national campaign involving joint demonstrations, house-to-house leafleting, and a market place stalls to explain its action. Where colleges sought to close departments, students would "go in and take them over," he said.

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# ON 5 APRIL WE'LL ALL BE COUNTED BECAUSE WE ALL COUNT

Census 1981 will be our 18th full national census. It is the shortest, simplest census for fifty years.

We have had a census every ten years since 1801, with the exception of the Second World War.

At first, it simply told us how many people were living in the country and their occupations. Nowadays, it tells us much more.

For instance, Census 1981 will show the numbers of people and families, how many children, elderly people, and single parent families are living in each area. It will give the facts about the sort of jobs people are doing, how they travel to work and how they are housed.

These facts are needed for running such things as the social services, the health service and education to make life better for all of us.

Who has to take part?

Everyone.

Some time this week a census Enumerator will deliver your census form and the explanatory leaflet. If you

have any questions about the form, your Enumerator is the person to ask.

On 6 April, or soon after, the Enumerator will call to pick up the completed form and to help you if you have had any difficulties filling it in.

Who will see your census form?

Your completed census form will be treated in strict confidence.

Nobody, except the people who work for the Census Office, will know what you put on your form and they have been sworn to secrecy.

Your name and address will not be fed into the computer that processes all the facts and figures.

Then, your census form will be locked away.

For 100 years.

**census 1981**

Issued by the Census Office (Office of Population Censuses and Surveys).

The American pilot and co-pilot of this Lockheed Jetstar were injured when the aircraft overshot the runway at Luton airport in dense fog on Sunday night. A Nigerian family of seven escaped unhurt.

## Midland network of water pipelines 'will save £10m'

From Arthur Osman Birmingham

The Severn-Trent Water Authority, the second largest of the 14 authorities in England and Wales, is expected to approve the construction of a network of pipelines to switch surplus from one area to another in time of need and to make maximum use of the cheapest sources of water.

The authority said yesterday that £110m of water needed to be done to use resources more efficiently and to be more flexible. It would lead to savings of £10m during the next five years.

By interlinking rivers, existing resources and boreholes, several concepts laid down in the past were "unlikely to be needed in the foreseeable future." Among those were Severn-Trent's involvement with the Welsh Water Authority in the vast development to enlarge the Craig Goch reservoir in the Elan Valley.

It was envisaged that that scheme would have cost about £100m and the Thames and Wessex authorities had also expressed an interest in it at one stage.

Mr Brian Scarlett, chairman of the working party of the authority's water management committee, said that they would not be needing the water this century.

Other plans that had been discarded included a reservoir near Tewkesbury, Gloucestershire, a scheme combining borehole water in Nottinghamshire with

the river Derwent, the transfer of greater quantities from Rutland Water and the possible use of water from the river Trent for drinking.

The main points of the new strategy were the Carington reservoir, near Ashbourne, Derbyshire, which by 1985 would make an extra 50 million gallons a day available; the use of boreholes in north Shropshire to allow an additional 62 million gallons to be taken from the River Severn and a new pipeline between the West and the East Midlands to link the main sources of the Severn and Trent catchment areas.

The Shropshire plan is awaiting approval by Mr Michael Heseltine, Secretary of State for the Environment. About 75 boreholes would be constructed.

The "umbilical cord" pipeline between Coventry, Nuneaton and Leicester will be laid over the next four years at a cost of £10m and will carry 20 million gallons a day.

An interchange of water of various qualities would pay special attention to the requirements of brewing at Burton on Trent and the dyeing industry at Nottingham.

It was said the authority had a flexibility to blend waters. During the 18 months of the working party study, consumption in the region fell because of the recession, and although demand had grown during the seven years that the water authorities had been in existence, the growth had been less rapid than envisaged.

## Court told of £1m holiday caravan fraud

Finance companies duped out of more than £1m over five years by a couple who borrowed cash to buy caravans for hiring to holidaymakers. Exeter Crown Court was told yesterday.

The companies would receive bogus invoices giving details of the caravans. But the caravans did not exist, Mr Julian Priest, QC, for the prosecution, said.

Patricia Hopkins, aged 36, of Paignton, Devon, and Fred Evans, aged 51, of Ashprington, Devon, both denied a joint charge of conspiring to defraud finance companies.

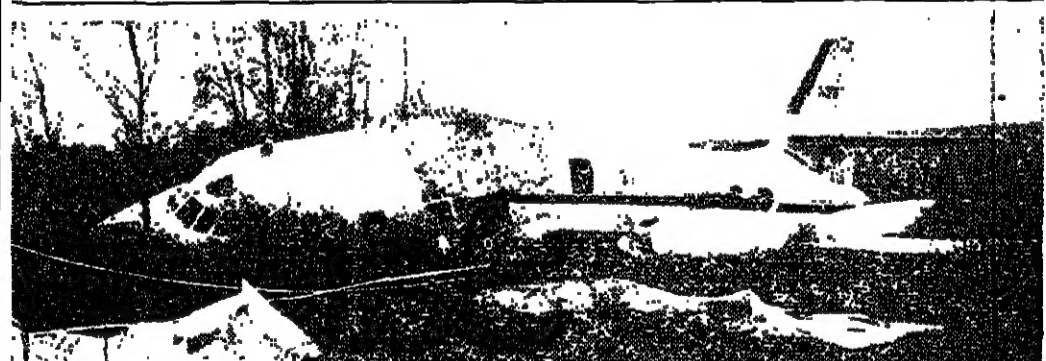
Mr Priest said Mrs Hopkins was the wife of Mr Conway Hopkins, "with whom you are not concerned in any way." In partnership, they ran a business letting out caravans and holiday homes, trading as P & C Holiday Homes.

Mr Evans traded under the name of Evans Caravans, the firm through which the finance companies were told the caravans would be obtained.

## Magistrate's resignation

Mr Albert Sykes has resigned from the magistrature's bench at Luton, Bedfordshire, after police were making inquiries yesterday about the Arm Shopping Centre, of which Sykes is manager for Tox City Properties.

It is believed that the inquiry involves the building material





'unlikely  
the  
nt schools'

## 21 executed by firing squad in Tehran

Tehran, March 30.—Twenty-one people were executed by firing squad in Tehran today, 15 of them in public, for smuggling, drug offences and brothel-keeping.

They had been found guilty by a revolutionary tribunal of being "the corrupt of the earth" and of "waging war on God," Tehran newspapers reported.

Among them were five women, executed in Qasr prison for drug-dealing and prostitution.

Six men, convicted of running disorderly houses, were shot in the south Tehran compound which once housed the city's social brothels. These were closed, and the compound bulldozed, after the 1979 revolution.

The other men were executed in two groups of five in streets in southern and central Tehran.

Several hundred people have been put to death since the revolution, many of them after conviction by the former royal judges.

Mr. Khatami, but in recent months the rate of executions has declined considerably. It is believed to be at least a year since there has been a public execution on this scale in the capital.

In the town of Hamadan, 230 miles south-east of Tehran, a man and a woman were also executed by firing squad early today. The official Pars news agency said they had been found in possession of over 9lb of heroin and morphine.

Peace mission: A high-ranking Islamic mission, seeking to end the war between Iran and Iraq, began negotiations with Iranian leaders today. But the state radio declared that the country would not reduce its peace demands.

The mission, formed by the Islamic Conference Organization (ICO), arrived in Tehran this morning and its leader, President Sekou Touré of Guinea, had talks soon afterwards with President Bani-Sadr.

The delegation includes the presidents of Gambia, Bangladesh and Pakistan, the Turkish Prime Minister and the Palestinian Liberation Organization leader, Mr Yasser Arafat.

President Bani-Sadr yesterday repeated Iran's three conditions for a ceasefire: simultaneous ceasefire and withdrawal of Iraqi troops from Iranian territory; investigation to responsibility for the aggression; and settlement of a dispute on the basis of the 1975 Algiers accord.

The Algiers accord fixed the disputed southern border between Iran and Iraq as the middle of the Shatt al-Arab waterway. Iraq is demanding full control of the Shatt.

Economic alarm: In a bleak view, President Bani-Sadr said Iran's economy is in acute recession with production falling and money supply increasing alarmingly. His statement said Iran's gross national product declined 9 per cent in 1979, 13 per cent in 1978 and not less than 10 per cent last year—Reuters.

a disaster  
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## US fails to persuade Japan over bigger defence role in Pacific

From Peter Hazelhurst  
Tokyo, March 30

An attempt by the United States to persuade Japan to build up its armed forces and take a greater responsibility for the defence of the Pacific Ocean will be rejected by the Japanese Government, a senior official in the Foreign Ministry said today.

The official said that Mr Caspar Weinberger, the American Defence Secretary, had asked Japan last week to expand its anti-submarine warfare, and take on a greater responsibility not only for its own sea lanes, but also for a vast area of the north-west Pacific.

The request was made when Mr Weinberger met Mr Matsuyoshi Ito, the Japanese Foreign Minister, in Washington last week, but it cannot be done, the official said.

Under the Japanese constitution, drawn up under the supervision of the American Occupation Forces, Japan's self-defence forces cannot operate outside Japan, the official said.

It is understood that Mr Ito informed the United States Government that Japan would attempt to defend 1,000 miles of the Pacific covering the country's immediate sea lanes, but it could not agree to defend the entire zone of the north-west Pacific.

The Japanese armed forces are committed to the defence of the country's sea lanes stretching 1,000 miles south from the ports of Tokyo, Yokohama, Osaka and Kobe.

The zone of Japanese responsibility for the Pacific as envisaged by Mr Weinberger extends beyond Japan's territorial waters 1,200 miles to the island of Guam.

Mr Ito is also said to have pointed out that if Japan did agree to take on the responsibility for anti-submarine patrols in the entire zone of the north-west Pacific, the Government would have to revise the country's highly controversial defence plans.

Mr Zenko Suzuki, the Prime Minister, has made it clear that his Cabinet will refuse to revise the defence plan or amend the country's constitution.

In an interview to be broadcast shortly before he travels to Washington to meet President Reagan in May, Mr Suzuki is reported to have said that Japan will improve the quality of its defence forces without violating or amending the constitution.

Prodded by American complaints that Japan is enjoying a free ride under the umbrella of its security treaty with Washington, Mr Suzuki said his Government would increase defence expenditure from 0.9 per cent of GNP to 1 per cent within four years.

But Western diplomats claim that the assurances are a mere sop.

An American diplomat said: "If Japan is going to raise its defence spending to a level of 1 per cent of its GNP within four years the Government will have to expand the defence budget by a minimum of 15 per cent annually for the next four years—and that will not happen."

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The Duke of Edinburgh speaking at a World Wildlife Fund reception in Hongkong, with a giant panda portrayed in the background.

## Uganda Army is accused of killings

From Our Correspondent  
Nairobi, March 30

The Ugandan Army is being accused of indiscriminate retaliation on the population for recent guerrilla attacks by groups opposed to President Milton Obote.

The bodies of 40 civilians, including a teenage schoolgirl, were recovered by relatives in the Nomanve forest, six miles east of Kampala, at the weekend. All had been shot dead. The forest was notorious as a dumping ground for people murdered during the Amin era.

Local residents, searching the area for the bodies of relatives who had disappeared during Army sweeps in areas where guerrilla attacks took place recently. According to one eyewitness at least 10 more unidentified bodies were lying in the forest.

Food as weapon: President Obote said in his speech that he would stop essential imported commodities going to areas where people are supporting anti-government dissidents, according to Uganda radio. The President made it clear that he was thinking especially about the Baganda tribe areas around Kampala (AP reports from Kampala).

But the Socialist members of the Cabinet apparently rejected the package. These draconian proposals were made after a week in which the Belgian Government came under increasingly intense pressure to devalue the franc against other currencies in the European Monetary System. The Belgian National Bank is thought to have spent 21,000 francs (1262m) in support operations over the last two days of last week.

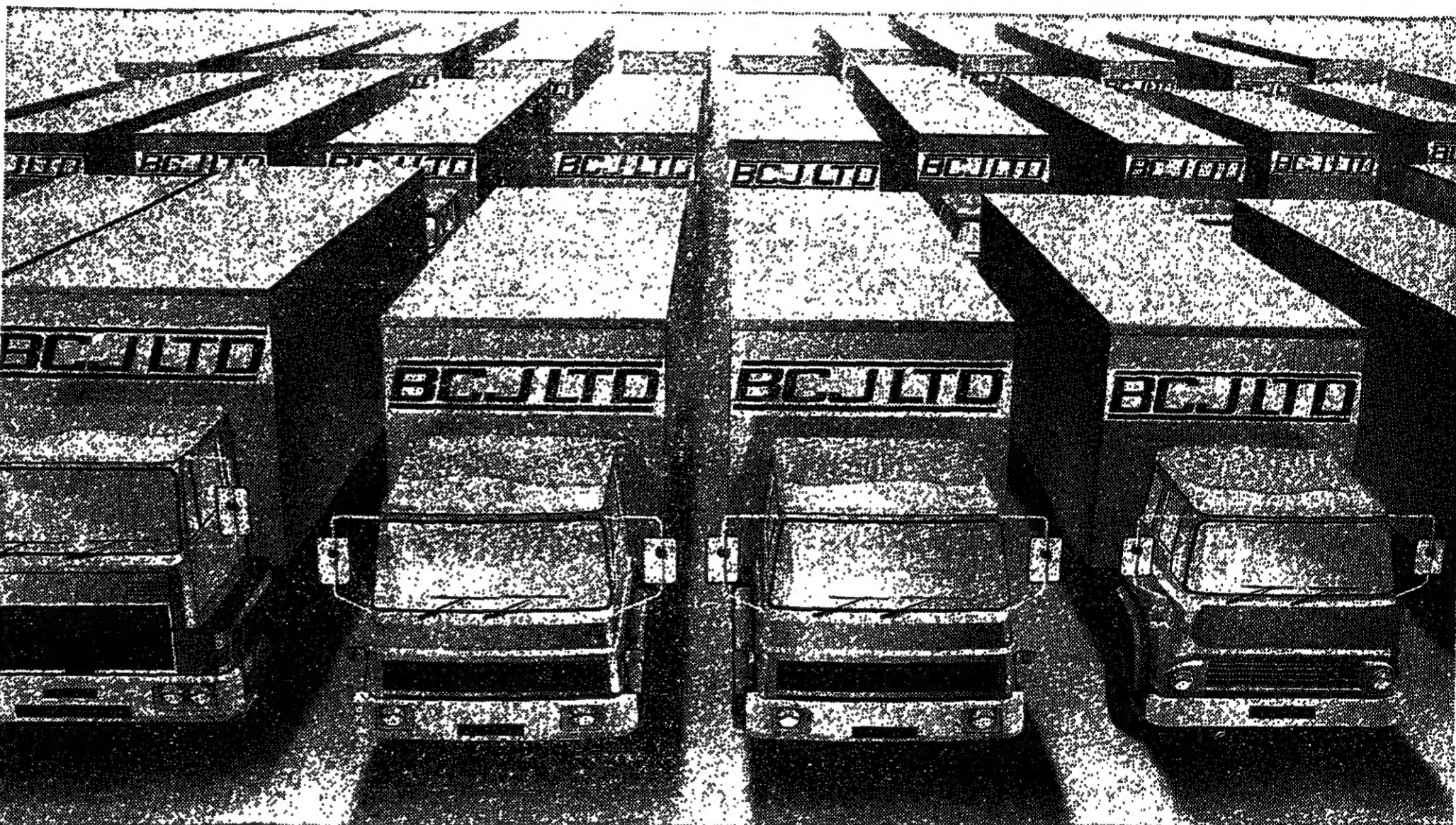
International disengagement with the franc reflected disappointment at the scale of spending cuts announced by the Government after another emergency cabinet session held only a week ago. The decision by the National Bank to raise its interest rates last week also failed to boost the currency.

Belgian currency is vulnerable mainly because of Belgium's very high level of Government debt. By the end of February this had mounted to more than 2,000,000 francs.

On the other hand Belgium's inflation record has been consistently better than the Community average. But last month the annual rate of inflation suddenly rose well above the 7 per cent level. This increase may have stiffened Mr Martens's resolve to tackle indexation, but it has also added plausibility to market suggestions that a devaluation of 10, 12 or even 15 per cent cannot long be avoided.

'Tomahawk' on target  
Point Mugu, California, March 30.—A Tomahawk cruise missile, launched under water, succeeded in hitting a land target 300 miles away, the United States Navy announced today.

Seamen missing  
Tarragona, March 30.—Five of the 31-man crew of the 12,700-ton Greek tanker Kavo Kambanos, ablaze off the Spanish port of Tarragona, were reported missing today.



# YOUR GREATEST ASSET, OR YOUR BIGGEST LIABILITY?

How do you regard your company's fleet? As a sound investment—or a large, heavy blockage in your cash-flow?

What do you feel about running a distribution business alongside your real business? A fascinating diversion—or a journey to the back of beyond?

These days many companies are discovering you don't need to own a fleet to enjoy a cost-effective distribution service.

They have discovered National Carriers Contract Services.

## CONTRACT SERVICES MAKES THE CASH FLOW

Naturally with Contract Services you don't have to invest your capital in vehicles. But what if you're already 'lumbered' with a fleet?

National Carriers will buy your vehicles from you at a fair price and then contract hire them back to you. So you'll find a tidy sum of money

released for the more demanding sectors of your business.

And what's more we'll do the same for any warehousing facilities you're currently operating.

Being a large company, National Carriers have considerable purchasing power. It's simple economies of scale. And we reflect these savings in our hire charges.

Budgeting is simple. Every four weeks you receive a known invoice.

So you can plan your distribution expenditure as a regular cost.



## Invasion would sever aid from West US and Bonn agree

From David Cross  
Washington, March 30

Before the assassination attempt, President Reagan today spoke by telephone to Herr Helmut Schmidt, the West German Chancellor and both leaders agreed that any measures by the authorities to repress the Polish workers would mean the end of Western economic aid for that country.

Announcing this at the White House today, Mr Reagan's spokesman said that the President had spoken to Herr Schmidt for about 15 minutes this morning on the delicate situation in Poland.

Both the President and the Chancellor feel that in the event of suppression being applied either externally or internally in Poland, it would be impossible to render further economic assistance to Poland.

He added that Herr Schmidt had also spoken by telephone to President Giscard d'Estaing of France about Poland. The situation in the country continued to be fluid and Washington was watching developments very carefully, he added.

The disclosure of the private telephone conversation between Mr Reagan and one of the country's most important allies was highly unusual since the Administration has been very careful to keep diplomatic contacts out of the public eye. It underlines the significance which President Reagan and his foreign policy advisers attach to deterring any Soviet invasion of Poland.

While broad spectrum of activity here continues to monitor the tense Polish situation apprehensively, a senior member of Congress has warned Moscow that a military tilt towards communist China by Washington would most likely follow a Soviet invasion of Poland.

In a television interview broadcast here over the weekend, Senator Charles Percy, the moderate Republican chairman

of the Senate foreign relations committee, said that when President Carter was in office last year, the White House asked the Pentagon to prepare a list of lethal weapons and equipment which could be sold to Peking in the event of a Soviet intervention in Poland.

After the interview, Mr Zbigniew Brzezinski, who was Mr Carter's National Security Adviser, issued a statement confirming the general thrust of Senator Percy's remarks. Senator Percy said that the possible use of the so-called "China card" would probably have "the most meaningful and significant" effect on Moscow in considering whether or not to send the tanks into Poland.

The sale of lethal military equipment to Peking was obviously an option which would be considered by President Reagan and his advisers if Moscow invaded Poland, he added. Although Washington has agreed to sell the communist Chinese auxiliary defence equipment, like transport and communications equipment, policy in Washington is to decline any requests for lethal weapons material from Peking, President Reagan and his foreign policy advisers have refused to rule out any possible retaliatory measures against Moscow in an effort to keep all their options open.

In another television interview yesterday, Mr Caspar Weinberger, the Secretary of Defence, told reporters that any American response would cover a broad spectrum of activity—political, economic, diplomatic.

Avoid all the concern about Poland, however, the Administration here has not abandoned hope of a peaceful outcome. Mr Alexander Haig, the Secretary of State, said yesterday in yet another television interview that Soviet intervention in Poland was still "neither imminent nor inevitable".



Mr James Brady, the presidential press secretary, lies wounded while police wrestle with the gunman after the attempt on Mr Reagan's life.

## Polish party blames the leadership

From Dossa Trevisan  
Belgrade, March 30

Representatives from the factory floor, who habitually endorse their leaders' policy without even speaking, stood up in the Polish Communist Party Central Committee meeting in Warsaw last night and denounced the highest party authorities for failing to respond to the demands of the nation's rank and file.

Their action revealed how deep the gap between the Communist leaders and the party base, and it showed clearly what dangers lie ahead.

Mr Olszowski, the controversial Politburo member, warned the angry members that there was a "universal principle for countries of real socialism".

By this he meant that within the Soviet block there are definite limits beyond which no communist party can reform

itself—that any challenge from the base or innovation at the top is regarded as dangerous since it could lead Moscow to conclude that the party was about to disintegrate.

However, the workers' delegates were in no mood to stay silent. They declared that they would "never act" against the class they came from. And they told the leaders point-blank that their local party organizations had ignored the demands of the rank and file.

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all provocation that might push the party on the "road of violence". She accused the leadership of deliberately misleading the public and exposing party members to dramatic and unnecessary temptations.

A woman worker from Wrocław talked of police action in Bydgoszcz as "a brutal violation of constitutional and civic rights and freedoms". Why could the leaders not listen to the voice of reason, she asked. In her opinion they were not listening to the basic organizations.

A worker from Bydgoszcz said that this was the last chance for the party. If it failed and tragedy ensued, society will never forgive not only the highest party echelons but the party itself.

That was why the Politburo could not decide on the fate of the rank and file without consulting the workers themselves.

## Daunting Middle East mission for Mr Haig

By Richard Owen  
Washington

The arrival in Cairo on Thursday of Mr Alexander Haig, the Secretary of State, will be the first test of whether the Reagan Administration has a clear Middle East policy.

The early days of a new administration are often chaotic, and the emphasis currently laid by Washington on its "coherent" foreign policy is a sure sign that coherence is just what it lacks.

But in the Middle East, at least, the outlines of American policy are beginning to emerge. Whatever their personal differences, most of President Reagan's men agree that the principle aim of American policy in the Middle East is to obstruct the Soviet Union, not least in the Gulf region.

Mr Haig talked in a recent hearing before the Senate Foreign Relations Committee of the need for a "consensus of strategic concerns" in the Gulf, embracing Turkey and Pakistan as well as the Arab states and Israel.

The concept is deliberately vague, but is intended to concentrate minds in the Middle East on the threat posed to the area by Soviet ambition.

State Department officials have been busily putting together a detailed Middle East package for Mr Haig to take on his tour. The hope is that the Secretary of State will be able to persuade the Israelis, the Egyptians, the Saudis and the Jordanians to agree that what they have in common with each other—and with the United States—is suspicion of the Soviet motives.

"If we can get them to agree on that," one of Mr Haig's aides said, "we might be able to get some common ground on Palestine. The old idea was that if you solve the Palestinian question first, Arab agreement would follow. We're turning that on its head."

This will be music to the ears of the Israelis and their supporters in Congress since it effectively relegates the Palestinian question to a secondary role. It will be received with rather more scepticism by Arab states, to whom the "Gulf first, Palestine later" formula smacks of earlier, cruder Administration statements to the effect that Palestine does not really matter very much.

There is a tendency in Washington—though less among State Department professionals than elsewhere—to underestimate the commitment of countries like Saudi Arabia to Palestinian claims to Jerusalem. This is matched by a tendency to overestimate the willingness of the Arab states, especially in the Gulf, to accept a Western military presence.

The Rapid Deployment Force, initiated by President Carter, is being taken up and expanded by his successor. But without any clear idea of what role it is supposed to play, the general principle is to station an American or Western interventionist force should be stationed in and around the Middle East to deter Moscow from expansionist moves.

Wild voices in the Administration do not stop there, however. Such a force, they say, should be used to shore up local regimes if they are threatened by Soviet-inspired sedition.

## News analysis

This raises the spectre of American troops becoming entangled in hopelessly complicated internal conflicts. There will be intense debate in Congress over whether American troops should be stationed in the Sinai Desert where Israeli hands over the last parcel of territory there to Egypt a year from now.

Under the Camp David agreement, the United States is obliged to set up an "international peacekeeping force".

The Senate Foreign Relations Committee, headed by Senator Charles Percy, is generally sympathetic to the Administration's approach, and leans toward the Israeli point of view. But the Zionist lobby in Washington is unhappy with the decision to supply Saudi Arabia with offensive weapons for the F-15 fighters it received from America during President Carter's term.

There are conflicting views within the pro-Israeli lobby, since some think that Israel should have provided more arms to the Saudis.

This babble of discordant voices, sometimes within the same "camp" is reflected in the confusion over whether the "European initiative" on the Palestinian question can be made to coincide with American aims.

Mr Haig has let it be known—least to his own staff—that he wants no more talk in public of policy differences between Europe and America. The European attempt to bring the Palestinian liberation organization into peace talks, the argument runs, might actually be useful, since any talks which exclude the Palestinians are not likely to be fruitful.

You bring the PLO along, and we'll bring the Israelis along, a remark heard—rather surprisingly—in some quarters in Washington. But this is an anathema to some of the more extreme, possibly to Mr Reagan himself, and Mr Haig will have to avoid offending the Israeli sensitivity on the matter during his visit to Jerusalem.

## Farm price marathon opens in Brussels

From Michael Hornsby  
Brussels, March 30

An increase in EEC farm prices this year of at least 12 per cent was demanded here today by a majority of European agriculture ministers at the start of what was billed as a three-day marathon meeting on the annual Community farm price settlement.

Meanwhile, outside the head quarters of the Council a number of farmers were protesting against an even higher price increase of 15 per cent from some 2,000 farmers who held a rally and let off fire crackers in the middle of one of Brussels' main thoroughfares blocking traffic for several hours.

Last week's call by the European Parliament for a 12 per cent price rise was cited by many ministers as justification for going beyond the 7.5 per cent increase that has been proposed by the European Commission. Only Britain and West Germany argued for price restraint.

Mr Alick Buchanan-Smith, the Minister of State for Agriculture, said there was more reason than ever for restraint in view of the fact that prices of many commodities are rising. The Commission is proposing to offer a number of member states by devaluing their "green rates".

The result of these devaluations would be to raise farm support prices in Denmark, Ireland, France, Italy and Greece by amounts ranging from 2 per cent to more than 9 per cent. These increases would come on top of any increase agreed in the common price level.

Mr Buchanan-Smith, backed by the West German ministers, said his colleagues of the need to increase a 12 per cent price increase, he claimed, could breach the binding 1 per cent limit on the amount of value added tax (VAT) that can be levied to finance the Community's policies.

There was support from Mr Poul Dalsager, the European Commissioner for Agriculture, who said that a 12 per cent increase would add about £600 to the EEC budget over a five year period compared with £270 if the Commission's own proposals were adopted.

While calling for price restraint, the British minister also said his Government wanted to current 13p a lb consumer subsidy on butter in Britain to be continued, a measure that adds to the Community's budget costs.

Mr Buchanan-Smith argued that it was better to subsidize food consumption inside the EEC, thereby maintaining demand, than to sell food subsidies outside the Community to subsidize prices. This was a dig at the French who are the biggest gainers from the subsidized export trade.

The ministers were due to hold further discussion of the proposed "room rate" change tonight and a possible compromise morning possibly to be presented with new proposals from the European Commission reflecting the general desire for a higher price rise.

Chirac attack: M Jacques Chirac, the Gaullist leader, said today Britain should leave the European Community. He was not prepared to accept Community decisions on farm price and other issues (Reuter reports from Paris).

At a campaign lunch attended by French journalists, he said that the Community was matched only by his hypocrisy in seeking advantages for itself in the EEC. If it proved impossible to persuade the British to change their ways "we must make them understand that the best solution would be to leave the common market," he said.

## Jagielski visit to Paris

From Our Own Correspondent  
Paris, March 30

Mr Mieczyslaw Jagielski, the Polish Deputy Prime Minister, is paying a two-day visit to Paris on his way to Washington. Essentially, the visit is connected with the financial and economic aid to his country.

But he is also expected to give President Giscard d'Estaing, whom he is meeting tomorrow, a run-down on the latest political developments in his country, and particularly the decisions of the Polish Communist Party's Central Committee.

He saw M Jean Francois-

Poncet, the Foreign Minister, today and will also have a meeting tomorrow with M René Monory, the Minister for Economic Affairs, on the consolidation of the Polish debt and the immediate economic aid which the member countries of the European Community are prepared to give his country in accordance with the decision taken at the Maastricht summit last week.

France is the chairman of the consortium of Western countries which has been discussing the use of the Polish debt. It met last week in Paris in a restricted session, but nothing has been disclosed about its deliberations.

## Gypsies hit back at Communists

From Our Own Correspondent  
Paris, March 30

Paris was treated to the unusual spectacle this morning of a procession of gypsies' caravans from the Place de la Nation to the Place de la Bastille, focus of popular protest since July 14, 1789.

They were drawn by cars, often large American models, carried placards which read "A stop to fascism and racism", and came from all over France. A loudspeaker proclaimed at intervals that "gypsies, like other Frenchmen, will soon vote".

The gypsy protest was against a campaign by a branch of the Communist Party in a suburb north of Paris calling on local authorities to remove gypsies from the area.

After foreign workers and drugs, the Communist Party has fastened on the gypsies as another popular theme with which to mobilize its rank and file in the election campaign.

For the past fortnight, leaflets have been dropped in the letter-boxes of residents in the "Red" suburb of Rosny-Sous-Bois urging the "departure of nomads". It demands, if necessary, police intervention to prevent the gypsies' resettlement in any part of the municipality.

It all stems from the invasion about six months ago of the working class of the centre of Rosny by 100 gypsies' caravans, which annoyed the local population and particularly shopkeepers.

The trouble is that the spread of urban development and traditional gypsy camping grounds at Marne-la-Vallée, south-east of Paris, has forced the gypsies to disperse throughout the Paris area in search of other alternative sites.

In February, the Socialist Mayor of Plaisir, another municipality in the Paris area, had to call in the police to control the number of caravans after complaints from local traders.

There are about 30,000 gypsies in the Paris area, about a quarter of all those left in France. One-third of them have kept to their nomadic habits; the rest have settled down, usually in shanty towns.

Rapid urbanisation since the war has deprived them of many camping grounds on the edge of towns. Few municipalities have studied the problem seriously or made adequate provision for the gypsies. As a consequence, gypsies have tended to concentrate in large numbers at the few sites still open to them.

The Communists have not invented the problem, but they seem determined to exploit it for political ends and harp on the xenophobic streak deep in every Frenchman.

## Moral asset for Socialist candidate A figure from the past backs M Mitterrand

From Charles Hargrove  
Paris, March 30

M Pierre Mendes-France, who announced last week—as he had in 1974—his support for M François Mitterrand, the Socialist candidate, broke a silence of nearly two years to explain in a radio round table discussion why he was doing so.

He said that in his opinion, "a government of the left, which is given proof of its mettle from the very moment of taking power, could bring the working class to accept the discipline and exercise the patience necessary to bring about the essential changes in French society."

M Mendes-France is one of the very few prime ministers of the 21 governments which held power in bewildering succession under the Fourth Republic to have earned the respect and admiration of a wide circle of Frenchmen, who do not necessarily share his left-wing views, and the only one to be regarded as a sort of national sage.

An austere and courageous man, he tried unsuccessfully to make Frenchmen drink milk, but he also put an end to the war in Indo-China, and gave independence to Tunisia, in the eight months in which he held office.

His humanistic socialism has acquired official consecration as the philosophy of "Mendes-France" and some of the leading personalities in French politics and the administration of the Fifth Republic regard themselves as his disciples.

He retired from active politics after the events of 1968, in which he played a prominent if controversial part. One of his last appearances was in a public debate in 1969 against M Giscard d'Estaing.

Though he belongs to a political generation of the past, his support is a valuable moral asset to M Mitterrand.

What he had to say last night revealed some affinities with both M Chirac, whose condemnation of the irresolution of the present Government he echoed, and M Barre, the Prime Minister, whose call for austerity (however relative) he echoes.

But he emphasized that a "policy of austerity could only

be successful with the consent and support of public opinion. Its rejection was inevitable, however, from the moment a large number of men and women had the conviction the policy pursued in the past few years was designed to consolidate acquired rights and privileges, routines and waste, and had habits inherited from the past.

M Mendes-France said that the country did not have the impression of being governed by men who knew where they wanted to go. One day it was told that refutation was the thing; the other day investment must be reduced; yet another that the currency must be defended at all costs, and everything is sacrificed to it.

To revitalise French economic life, he said, the state must accept an increase in its foreign deficit; give greater help to certain industries, and especially export ones; reduce employers' social contributions in return for a reduction in working hours; and slow down the increase in purchasing power of middle and higher salary groups.

These suggestions should be put to the other countries of the EEC.

He went on to say that he was very struck by the attitude of the Communist Party, which facilitated the re-election of M Giscard d'Estaing. "It is a permanent feature of the party to do all it can to prevent the non-communist left from coming to power," he declared. "But a left-wing government cannot fail to have the support of public opinion, and this support will be such that the Communist Party itself will perhaps be compelled to take it into account."

It is challenging the country to impose on it the continuation of the same policy. It must at long last be admitted that the faction which has been deprived so far of all possibility of action now has a right to speak," he said.

M Jean-Philippe Lecat, the Socialist Minister of Agriculture, said this afternoon that M Mendes-France had been away from active politics a long time, and did not know all the details. "But he inspires respect, even if we do not share some of his analyses."

The afternoon newspaper *Libération* went on the newsstands today at five drachmas, while the morning *Républicain* which is the organ of the pro-Moscow Communist Party, announced it would sell at 10 drachmas from tomorrow.

## US to seek tough nuclear line

From Michael Hornsby  
Brussels, March 30

Senior American and European officials meet here tomorrow for the first time since the Reagan Administration came to power to consider the future of the talks between the United States and the Soviet Union on the reduction of theatre nuclear forces (TNF) in Europe.

The officials meet as the Nato special consultative group, a body set up last year under the Carter Administration to enable the United States to consult its European allies fully on the line to be taken in the TNF negotiations with Moscow.

The new chairman of the group is Mr Lawrence Eagleburger, the American Assistant Secretary of State-designate for European affairs, who toured European capitals last month to explain the new American policy on El Salvador.

Nato members agreed in December, 1979, to deploy 572 American cruise and Pershing 2 nuclear missiles in Europe from 1983 to counter the mobile SS20s which the Warsaw Pact already has in place on its side of the border.

At the same time, it was agreed that the West should also seek to open negotiations with Moscow on limiting the expansion of these new arsenals, using the prospect of the deployment of the new American missiles as an incentive to bring the Russians to the conference table.

The first round of TNF talks between the Americans and Russians was held in Geneva last autumn. The question is when to resume these discussions, and what approach to pursue, particularly on some of the ideas set out in President Brezhnev's recent letter to Western leaders.

Most European governments would like the TNF talks to be resumed as soon as possible. In particular, West Germany, on whose soil most of the new weapons would be located, might be hard put to maintain domestic support for their deployment without evidence that the arms limitation talks were being pursued seriously.

For their part, the Americans will be looking for a firm rejection of Mr Brezhnev's proposal for a "moratorium"—in effect, a freeze—on the deployment of TNF weapons. Washington argues that the existing Warsaw Pact superiority in such arms which the talks are intended to reduce.

The moratorium idea has been floated before by the Russians, and last year relations between Bonn and Washington were severely strained for a time when Herr Helmut Schmidt, the West German Chancellor, appeared to have taken it up.

## Bishop Tutu urges Britain to take tougher line against apartheid

By Michael Knipe

Undeterred by threats from Pretoria that his passport would be withdrawn, Bishop Desmond Tutu, the secretary-general of the South African Council of Churches has called on the British Government to take a tougher line over apartheid.

He made his appeal when he met Sir Ian Gilmour, the Lord Privy Seal, and Mr Richard Luce, Minister of State at the Foreign Office, yesterday.

The bishop, perhaps the most prominent black South African still pressing for peaceful change from what he calls "the most vicious system since Nazism", argues that Britain is not doing enough over apartheid in South Africa.

## Pretoria hopes journalist will defer going to jail

From Ray Kennedy  
Johannesburg, March 30

A South African journalist, sentenced to 14 days imprisonment, has been told he need not hurry back from Washington to serve his jail term.

Mr John Matison, the Washington representative of the Johannesburg *Rand Daily Mail*, last week lost an appeal against his conviction and sentence for refusing to name the sources of a report about the right-wing Christian League. This organization has been connected with the almost forgotten but not quite dead Information Department affair, which rocked the South African Government two years ago.

A spokesman for the Cape provincial Attorney-General's office said it would not be necessary for Mr Matison to return to South Africa to serve his sentence until it has been decided whether to go ahead with further investigations against him.

The statement is obviously of

some comfort to Mr Matison but clearly of a lot more to the ruling National Party, which would like the ghost of the so-called Muldergate affair to lie down and die—which it obstinately refuses to do.

There is no question that the announcement has anything at heart but the interests of the ruling party and possible further investigations against Mr Matison.

But there is no doubt that it suits the National Party down to the ground if he stays in Washington, until at least April 29 when South Africa holds a general election, instead of rushing back and proclaiming: "Here I am. Please lock me up."

If he did so he would become in instant cause célèbre and just what the opposition Progressive Federal Party, the Harbottle National party and even Connie Mulder's incumbent National Conservative Party would need to slash National Party votes.

## Muted reaction to death of Dr Eric Williams

From Jeremy Taylor  
Trinidad, March 30

Dr Eric Williams, the Prime Minister of Trinidad and Tobago, died suddenly last night. No announcement was made here for 12 hours by which time President Ellis Clark had consulted with the leadership of the ruling Peoples' National Movement (PNM) and had appointed a successor, Mr George Chambers, the Minister of Agriculture and Industry.

At the end of his fifth consecutive five-year term, Dr Williams had been facing a serious wave of industrial unrest but reaction here today was muted suggesting that his death may be a traumatic experience for Trinidad and Tobago.

A whole generation has grown up knowing no other leader than Dr Williams's austere aloof and autocratic style and personality. Banks and some businesses remained closed and

there is a period of mourning until April 17.

Mr Chambers, who will be 30 this year, also takes over as Finance Minister. He has three deputy leaders in the PNM with responsibility for party policy.

He is a low-key, respected figure, moderate and untainted by recent allegations of Government corruption. He has been noted as a serious contender for the leadership which has helped his swift appointment as Dr Williams's successor.

There will inevitably be challenges from within the party particularly with general elections expected within six months. Dr Williams's death is not likely to mark any dramatic change of direction at least for the moment.

Divisions in the ruling party are defined more by personality than ideology.

Obituary, page 9

## Death of a godfather heralds a round of killings

From Michael Leapman  
New York, March 30

Police are bracing themselves for a new round of Mafia killings here following the death yesterday of Frank Tieri, the 77-year-old godfather of the most important organized crime "family" in the country. When was first arrested in 1922 and died it is traditional for the succession to be decided by the gun.

It was only last November that the small, dapper but by then ailing Tieri, a Brooklyn snowed-out manufacturer, made his gangland history by being the first man convicted specifically of being a leader of the Mafia, or Cosa Nostra. His empire

stretched through New York and New Jersey and included such activities as extortion, illegal gambling, prostitution and, by extension, death.

He was sentenced then to 10 years in jail and a \$60,000 fine but was free on bail of \$75,000 pending an appeal. He was first arrested in 1922 and died it is traditional for the succession to be decided by the gun.

Tieri took over the crime "family" that used to be run by the legendary Vito Genovese in 1972, when its then leader was first arrested and later killed in Brooklyn. Tieri was a prime suspect in the killing of a man who was charged.

When Carlo Gambino, acknowledged as one of the most formidable American mobsters, died in 1976, Tieri became the most powerful Mafia personality in the country, the "boss of all bosses". The two had been close friends and partners.

The Federal Bureau of Investigation, who are the source of all the knowledgeable news

reports about organized crime in the American press, have yet to publish their list of contenders for the throne Tieri vacated.

Even before they do, nobody would be surprised to see in bodies of some of the hoodlums turned up on the streets or at the bottom of rivers or reservoirs weighted with concrete.

By coincidence, Tieri died the eve of the conspiracy which began in New York today, of Carlos Marzetta, to be the head of the Louisiana and the 1932. The FBI have had him deposed.



## Brazil pays high price to carry out its ambitious nuclear plan

on Patrick Knight  
Sao Paulo, March 30

Brazil's first nuclear power station is to start test operations in April, and by the end of the year the American-built plant should be fully operational. Like the whole of the controversial Brazilian nuclear programme, the plant is several years behind schedule and is costing far more than originally expected. In a year of widespread public spending cuts, only the nuclear programme has survived unscathed—more than a billion dollars is to be spent in 1981.

Although the first power station is American-designed, Germany is involved in building eight power stations, uranium enrichment plant, a processing facility and a heavy components factory for operation by 1990, although at date has since been postponed.

The nuclear programme is intended to make Brazil a self-sufficient manufacturer and user of nuclear technology. An important part of the package is a capability which will allow Brazil to produce nuclear fuel for its own reactors and for other countries.

Much, however, has changed since the heady days when the nuclear programme was conceived—not least the size of Brazil's overseas debt. The agreement with West Germany was signed with little public debate and without the involvement of the country's own

nuclear scientists, who were then regarded with suspicion by military authorities. Power from the first nuclear station will cost considerably more than the power from hydro-electric stations, which are more reliable and safer. But the nuclear lobby seems to have survived all setbacks and criticisms, even though the date for completion of the eight-station programme has been postponed to the year 2,000 by the Energy Ministry.

Brazil has, however, had some success in persuading its neighbours that it can help them with their nuclear programmes. Agreements have been signed with Venezuela and Colombia to exchange technology and training. Perhaps when this happens, the cost of the nuclear programme will justify itself.

Pretoria condemned: Two senior Brazilian ministers in Africa last week repeated Brazil's condemnation of South African incursions into Angola and Mozambique, with which Brazil has been developing close links.

Senhor Saraiva Guerreiro, the Foreign Minister, on a three-day visit to Nigeria, Brazil's leading African partner, spoke of future "perceptible differences between our position and that of the United States regarding black Africa." He said Brazil had a "well known position" of supporting the Angolan Government.

Senhor Cesar Cals, the Energy Minister, in Angola to sign an oil exploration agreement and to discuss the involvement of the country's own

## Prominent Argentines call for end to persecution

from Our Correspondent  
Buenos Aires, March 30

More than 40 people, including Senator Adolfo Pérez Esquivel, the 1980 Nobel Peace Prize winner, and Jorge Luis Borges (the writer), have signed a statement, published in today's edition of the mass circulation daily *Clarín*, demanding that disappeared persons reappear.

The signatories, who also include politicians, artists and other prominent figures, called for an end to the "persecution of people" and demanded that the "freedom of children and relatives" be restored.

The statement also called for the release of people "held for political reasons" and the end of censorship and all restrictions to freedom of expression, gatherings and access to education and culture.

In this way, the statement concluded, "the spirit of the Universal Declaration of Human Rights will be complied with."

The statement appeared the day after General Roberto Viola was sworn in as Argentina's thirty-eighth president and the second president of the Armed Forces "National Reorganization Process."

General Viola has been widely expected to embark on a more liberal course than that of the previous Videla Government. However, recent internal disputes within the Armed Forces may delay liberalization.

President Viola is expected to give an address to explain his Government's programme.

Members of a National Assembly are to be elected, probably in April, and their first task will be to adopt the constitution.

Regional elections were held earlier this month, as the authorities are proceeding state by state, with voters choosing from a list of candidates drawn up after consultation with people's organizations.

Although the discreet Vietnamese presence appears to have been generally accepted because it guards against the spectre of a Khmer Rouge return, some Kampuchean expressed concern at the new order of things.

According to several reliable sources, some people were paying agents \$300 to be smuggled out of the country and into Thai refugee camps. The journey usually took 48 to 72 hours.

It was not known how many refugees were being sent to the country, but the numbers did not compare with those of Kampuchean returning to the country, which reached 320,000 by the end of the year, according to a United Nations official.

## Phnom Penh starts reconstruction amid concern at prospect of aid cuts

From Bernard Estrade  
Agence France-Presse  
Phnom Penh, March 30

The pro-Vietnamese Heng Samrin Government, more than two years after assuming power here, has gone beyond the stage of simple survival and is reconstructing the economy and normalizing political life.

At the same time, despite the presence of an estimated 180,000 to 200,000 Vietnamese troops in the country, the general security situation here and in the provinces is tending to deteriorate.

Travel restrictions on foreigners—whether journalists or representatives of international companies—have increased since January, with authorities blaming "lack of security," "dangerous roads" and "bandits."

Despite improved agricultural output, Kampuchea is not expected to be self-sufficient in food for another two or three years. The year it will fall short by 250,000 tons of rice, an official said.

Kampuchea's survival, after a catastrophic situation inherited from four years of Khmer Rouge power, is attributed largely to international aid which reached \$600m (about £275m) last year, the biggest such sum since the Second World War.

In 1979 the country produced only 400,000 tons of rice, according to official figures. A year later the figure had soared to 750,000 tons. This year's goal is \$80,000. But official statistics estimate that Kampuchea, an exporter of rice before it became embroiled in war, needs a million tons to feed its people.

As a result, officials here are extremely concerned about the aid situation. "If we cannot guarantee a minimum, all we have done since 1979 will have served for nothing," an aid programme official said.

At the political level, the Heng Samrin Government, which came to power in January 1979, after a successful offensive by Vietnamese troops, announced a draft constitution on March 12, confirming its socialist character. The text also confirmed the regime's close ties to Vietnam and Laos, and its alignment with the Soviet bloc.

The freedom of movement allowed to citizens during the regime's first months in power has been somewhat restricted, some Kampuchean said when questioned. Authorization to travel is no longer granted to applicants' local community leaders—or in the case of civil servants by an appropriate government ministry—and only after a written request.

Although the discreet Vietnamese presence appears to have been generally accepted because it guards against the spectre of a Khmer Rouge return, some Kampuchean expressed concern at the new order of things.



The Pope playing bocce while visiting the Rome parish of San Sabas on Sunday.

## Cosmonauts return safely

Moscow, March 30.—Two cosmonauts, one Soviet and one Mongolian, returned to Earth safely today after almost a week on board the Salyut 6 orbital space station.

The Mongolian cosmonaut, Captain Juyderdemiyin Guragchia, and his Soviet flight commander, Mr. Vladimir Dzhanibekov, landed in Soviet Central Asia, according to Tass.

The cosmonauts took off in their Soyuz 39 space ship on March 22 and the next day linked up with the space station, which was already manned by Vladimir Kovalyov and M. Viktor Savitskiy.

The four cosmonauts carried out a joint programme of scientific and technical experiments, Tass said. They are reported to have done photographic work designed to help locate natural resources on land and at sea. Mr. Savitskiy and Mr. Kovalyov, who have been in orbit for 16 days, remained on board the space station to continue their mission.

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It was not known how many refugees were being sent to the country, but the numbers did not compare with those of Kampuchean returning to the country, which reached 320,000 by the end of the year, according to a United Nations official.

The book criticizes the large number of medicines being sold by untrained staff.

The *Great Health Robbery* (Available from Oxfam, 274 Banbury Road, Oxford OX2 7DZ. Price: £1.30). The film is available in 16mm colour from Concord Films Council Ltd, 201 Felixstowe Road, Ipswich IP3 9BJ.

The film and book criticize the marketing of powdered milks in Yemen, many of which are manufactured in the EEC countries. They claim women feel obliged to buy the goods to appear progressive and "western", but they are not aware of the possible health hazards.

applauded the movement's 1980 siege of the Dominican embassy in Bogotá, because it drew attention to human rights violations by President Julio Cesar Turbay Ayala's Government.

Support faded and a split within M-19 became evident earlier this month, however, when members kidnapped and killed Mr. Chester Bitterman, an American missionary who worked for the Summer Linguistics Institute in Bogotá. M-19 said the institute was a Central Intelligence Agency front.

## Gen Viola faces Peron pardon question

From Andrew McLeod  
Buenos Aires, March 30

Argentina's new President has a daunting array of political and economic problems in front of him as he begins his first term in office.

Lieutenant-General Roberto Viola, who was sworn in yesterday as President, must quickly deal with the question of the Government if the military's "national reorganization process" is to survive.

On the economic front, the agriculture and industry sectors represent conflicting interests. The country's foreign debts have increased threefold over the past five years, and an overvalued currency has hit exports.

Inflation has been reduced to 84 per cent from about 10 times that figure in 1976, the year the military ousted the Government of President María Estela Perón. But a recent run on the peso because of fears of a devaluation has badly depleted foreign reserves.

General Viola also faces the problem of Señor Perón, whose lawyer appealed on Friday against a six-year sentence for his role in the 1976 military dictatorship. The general was anxious to have the problem resolved before his term office.

The new President must now decide whether or not to grant Señor Perón a special pardon. The members of the new Argentine Government sworn in yesterday by President Viola are:

Interior: General Horacio Lloreda, over 60, ex-armed forces. Finance: Juan José López, 50, ex-armed forces. Justice: General Juan José López, 50, ex-armed forces. Health: General Juan José López, 50, ex-armed forces. Education: General Juan José López, 50, ex-armed forces.

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Senor Bateman tried to disassociate the leadership from the kidnapping from the start, but seemed to have had only limited success doing so in the public mind, which no longer holds M-19 in esteem.

The group's popularity since its founding 11 years ago stemmed from its general defiance of political and military leaders.

Its own ideology has always been so vague that many observers doubt that M-19 has the full backing of Cuba, though President Fidel Castro has provided training and refuge for the group in the past.

Law Report March 30 1981

## Full charges to be met on oil pollution contract

Shell Tankers (UK) Ltd v Astro Comino Armadora SA

Before Lord Justice Waller, Lord Justice Eveleigh and Lord Justice Dunn

The owners of a lightening vessel assuring a leading oil tanker to prevent pollution by taking off a part of her cargo were not in breach of the lightening contract when they refused to comply with a request by the tanker's master, made after the threat of further pollution had been removed, to make a return trip to take off the whole of the cargo.

The Court of Appeal dismissed an appeal by the defendants, Astro Comino Armadora SA, the owners of the vessel, against a decision of the Lord Justice Waller, Lord Justice Eveleigh and Lord Justice Dunn, that the plaintiffs, Shell Tankers (UK) Ltd, had carried out their contractual obligations and were entitled to reimbursement of US\$150,000.

Mr Ian Hunter, QC, for Mr W. R. Sibbery for the appellants, said that the tanker's master, Mr. Anthony Halliwell, QC, for Mr. Brian McClure for Shell, the lightening vessel owners.

On the economic front, the agriculture and industry sectors represent conflicting interests. The country's foreign debts have increased threefold over the past five years, and an overvalued currency has hit exports.

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The new President must now decide whether or not to grant Señor Perón a special pardon. The members of the new Argentine Government sworn in yesterday by President Viola are:

Interior: General Horacio Lloreda, over 60, ex-armed forces. Finance: Juan José López, 50, ex-armed forces. Justice: General Juan José López, 50, ex-armed forces. Health: General Juan José López, 50, ex-armed forces. Education: General Juan José López, 50, ex-armed forces.

allowed to citizens during the regime's first months in power has been somewhat restricted, some Kampuchean said when questioned. Authorization to travel is no longer granted to applicants' local community leaders—or in the case of civil servants by an appropriate government ministry—and only after a written request.

Although the discreet Vietnamese presence appears to have been generally accepted because it guards against the spectre of a Khmer Rouge return, some Kampuchean expressed concern at the new order of things.

According to several reliable sources, some people were paying agents \$300 to be smuggled out of the country and into Thai refugee camps. The journey usually took 48 to 72 hours.

It was not known how many refugees were being sent to the country, but the numbers did not compare with those of Kampuchean returning to the country, which reached 320,000 by the end of the year, according to a United Nations official.

The book criticizes the large number of medicines being sold by untrained staff.

The *Great Health Robbery* (Available from Oxfam, 274 Banbury Road, Oxford OX2 7DZ. Price: £1.30). The film is available in 16mm colour from Concord Films Council Ltd, 201 Felixstowe Road, Ipswich IP3 9BJ.

The film and book criticize the marketing of powdered milks in Yemen, many of which are manufactured in the EEC countries. They claim women feel obliged to buy the goods to appear progressive and "western", but they are not aware of the possible health hazards.

applauded the movement's 1980 siege of the Dominican embassy in Bogotá, because it drew attention to human rights violations by President Julio Cesar Turbay Ayala's Government.

Support faded and a split within M-19 became evident earlier this month, however, when members kidnapped and killed Mr. Chester Bitterman, an American missionary who worked for the Summer Linguistics Institute in Bogotá. M-19 said the institute was a Central Intelligence Agency front.

Senor Bateman tried to disassociate the leadership from the kidnapping from the start, but seemed to have had only limited success doing so in the public mind, which no longer holds M-19 in esteem.

The group's popularity since its founding 11 years ago stemmed from its general defiance of political and military leaders.

lightening ship... will proceed with utmost dispatch to the vicinity of the tanker and stand by to take and receive... on board so much of the cargo of the tanker as the master of the tanker... shall direct... The lightening ship will then either carry the cargo to such port as the tanker's master shall reasonably designate or as near thereunto as she can safely get and there discharge the said cargo... Upon such discharge of cargo the lightening ship shall either return to the vicinity of the tanker to render further lightening assistance as afloat or no such further assistance is required shall be returned to the orders of the owners of the lightening ship

By October 2, 62,000 tons had been removed from the tanker. The appellants contended that oil at Wilhelmshaven and then set off to return to the point from where she had been diverted.

The appellants requested that the tanker to take off her remaining oil. Shell took the view that the tanker was under no obligation to return as they had taken off more than enough oil to prevent further pollution.

The appellants refused to pay Shell \$150,000 on the ground that some smaller sum was payable under the contract. Their case was that Shell's obligation under the contract was to take and receive on board so much of the cargo as the tanker's master should direct. Further the tanker should be liable to pay the cost of the cargo as it was subject to a minimum payment of US\$150,000.

On September 30, the tanker's master determined whether the tanker should return to give further assistance. The tanker was free to return to the orders of her owner.

However, the construction that the tanker was to return to the point from where she had been diverted, ignoring the actual and failed to give full weight to its operative part. The tanker was obliged to provide as that stated in the contract: "to render assistance by taking off part of the tanker's cargo and so lightening her."

The appeal should be dismissed. Lord Justice Dunn and Lord Justice Waller delivered concurring judgments.

Solicitors: Holman, Fenwick & Willan; Waitons & More.

## No tax exemption allowed on land development gains

Pogson (Inspector of Taxes) v Laidlaw and Another

Before Mr Justice Vinelott

[Judgment delivered March 27]

An agreement in November 1973, to sell land subject to obtaining planning consent and to a price to be agreed by valuers, was held to be an "arrangement" to dispose of the land and does not entitle the vendors to the exemption in paragraph 4 of Schedule D of the Finance Act, 1974, from the tax on development gains imposed by section 38 of the Act.

His Lordship, in a reserved judgment, allowed an appeal by the Crown from a decision of general commissioners in favour of the taxpayers, Mr Alfred Lowe and George Lowe, who upheld in principle assessments for 1974-75 made on them to capital gains tax of £28,893 and £30,417 respectively.

The taxpayers, nurserymen, owned land at Beeston, in September, 1972, they applied for planning permission in respect of the land, that was eventually granted in May 1974. At a meeting in November, 1973, the local council indicated its wish to buy the land and the taxpayers agreed to sell. Terms of a sale contract were discussed and included a method to be adopted for agreeing the price to be paid for the land. A note was taken of the discussions. The parties thereafter believed themselves committed to an agreement in principle and correspondence passed between them regarding the transaction.

The eventual sale price of the land was £300,000 and certain other terms were agreed until after December 18, 1973, and were finally evidenced by a contract dated May 8, 1974. The taxpayers were assessed to capital gains tax and to income tax on development gains. Their appeal against the assessments to income tax under section 38 of the Finance Act, 1974, was allowed by the commissioners. The Crown appealed.

Section 38 provided for certain development gains arising on the disposal of land to be chargeable under the VI of Schedule D if the disposal gave rise to a chargeable gain under the capital gains tax rules.

Paragraph 4 of Schedule 4 provided an exemption from section 38 where an owner of land "had before 18th December, 1973, arranged (without entering into a binding contract) to dispose of" his land.

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entered into a scheme involving multiple in November, 1973, and by December 18, 1973, to implement it. In so doing each of them felt that they had "arranged" to dispose of the land, and that, after they had appointed their respective valuers, a sale of the land would almost inevitably follow.

But the meaning attributed to an "arrangement" in earlier and more recent cases did not assist in construing what was meant by "arranged" in paragraph 4. The word was not a term of art but a word in common use and one with a wide and flexible meaning. The word did not always import an element of finality.

The question was not whether the taxpayers had entered into "an arrangement" but whether they had "arranged" to dispose of the land to another. It was impossible to hold that that was so. They had merely arranged for their respective valuations to be made and negotiated a price that each could recommend to his respective council. Neither side regarded themselves as committed to a sale of the land to another. It was impossible to hold that that was so. They had merely arranged for their respective valuations to be made and negotiated a price that each could recommend to his respective council. Neither side regarded themselves as committed to a sale of the land to another. It was impossible to hold that that was so. They had merely arranged for their respective valuations to be made and negotiated a price that each could recommend to his respective council. Neither side regarded themselves as committed to a sale of the land to another. It was impossible to hold that that was so. 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THE ARTS

# New perspectives on a controversial old collection

Some Chantrey Favourites Royal Academy

Recent Chantrey Purchases Tate Gallery

Victorian Paintings Riverside Centre, Hammersmith

William Strang RA National Portrait Gallery

Frederick Austin: Etchings and Linocuts Blond Fine Art



"Very jolly" ... Edward Armitage's *Herod's Birthday Feast* at the Riverside Centre, Hammersmith

It is rather extraordinary how rarely today, more than a century after it became a practical reality, the Chantrey Bequest is a subject which provokes frenzies of fury in some of the otherwise most sober, mild, orderly people who could wish to meet. Of course, the precise grounds for the fury have shifted a little. Once it was primarily the question of how the fund was currently administered; who was bought and who was not and how and why. Then it was the whole idea of the fund, laying out for the nation a graveyard of white elephants; who could believe that even in bequeathed Victorian times they could have wasted so much money on quite so many monstrosities? Now things have come full circle, and again the once-despised bequest paintings from the last quarter of the nineteenth and first quarter of the twentieth centuries are regarded as among the treasures of the national patrimony. So the issues are rather: are they being rightly looked after and shown?

For it must be said that this wholesale revaluation upwards of the Chantrey Bequest's earlier purchases has been carried out largely in absentia. The vast majority of the works concerned are stored away in the Tate Gallery's stores somewhere in Acton, and never see the light of day, even for diligent, scholarly investigators. The same is true, of course, of many of the pictures in the Tate's own collection; but the point is that the Tate does not treat its own collection pictures, but is merely custodian of them for the nation. Then, again, and some people think they should be taken away and put into more deserving, sympathetic hands. As in all questions of this nature, it is much more difficult than it appears to get at the truth, not to mention the truths behind the truth. Is the Tate just being high-handed, or are there good

reasons why so many of the Chantrey pictures are not on show anywhere? No doubt problems of conservation loom large, but who can know how large? No doubt it is also true that many of the nearly 600 works bought under the terms of Chantrey's will have so irrevocably lost whatever charms they must once have had that it would do no one any good to exhume them. But how can we know? Even 20 years ago many of the Victorian classics included in the present show of *Some Chantrey Favourites* at the Royal Academy (until May 24) would have been widely regarded as monstrosities; now they are likely to be revered. It is hard to believe, for instance, that for some years in the 1960s and 1970s even *Carnation, Lily, Rose*, one of Sargent's most brilliant and enchanting works, was relegated to the Tate's basement—certainly if one listens to the audible ecstasies it now occasions. And even making full allowance for scholarly nostalgia, one must still admit that Orchardson's *Napoleon on Board the Bellerophon* is a stunning piece of painting—the more readily appreciable as such now that we have managed to shed most of our once automatic prejudices against any picture that told a story.

Nor is it only the great Victorians, the Alma-Tademas and Frank Brangwyn's *JA Hopeless Dawn* and Herbert Draper's *The Lament for Icarus* who come up live and kicking. We are still in the slow and sometimes painful process of re-evaluating the symbols like Cayley Robinson, the meticulous workers in tempera like Harry Morley, the sober realists like James Bateman, J. Mcintosh Patrick and Algernon Newton. The works of all of these here provide food for thought. For one thing, they would have been bought, in their time, only by those of conservative taste, such as we may safely suppose the selectors delegated by the Royal Academy normally to be. And in retrospect that is no bad thing, provided there is a certain consistency, everything comes round in its turn.

The conclusion is reinforced by the complementary show at the Tate of works bought by the Chantrey Bequest in the last three or four years: it is undeniably old-fashioned of them to be buying now the work of Anthony Gross or Sheila Fell or Peter Greenham, let alone a John Tunnard and a Julian Trevelyan both dating from the 1940s. But all the works on show are admirable of their kind, and well deserve representation. No doubt by the 1990s the bequest will have caught up with the more obviously advanced artists of today; and

at least the passage of time will have made the choice simpler and more sure. While we are on the subject of inaccessibility in public ownership, it is well worth going down to the Riverside Centre, Hammersmith, to inspect the loan show of *Victorian Paintings* (until April 26) mostly drawn from the Cecil French collection left to Fulham Library in 1954 and now owned by Hammersmith Borough Council. Cecil French had a superb collection of Victorian and early twentieth-century British art, particularly strong on Burne-Jones and other Pre-Raphaelites; the only problem has been that Hammersmith has no permanent gallery in which to show the cream of the collection, so it has been languishing unseen for many years now. All credit to the enterprise of Riverside for fishing out 23 choice items and supplementing them with as many more scarcely more familiar from Leighton House, the Guildhall Art Gallery and other sources. Probably the Burne-Joneses are the most eye-catching: the *Coronation of The Virgin* and *The Angel of St Catherine* or *A Fantasy* takes one by surprise, and *The Sower* is a surprisingly energetic oil. But it is a real pleasure to encounter such small-scale, finely rendered works as *Reading* (1876), Leighton's *The Music*

Lesson is extraordinarily seductive in its colours and textures, and John George Naish's *Le Greux Harbour, Sark*, featuring a profusion of foreground pebbles painted with obsessive pebbles painted with obsessive Pre-Raphaelite nicety. And, if all you want is a straightforward pang of nostalgia, you cannot go far wrong with Millais's suitably sentimental *Princess in the Tower* or Edward Armitage's very jolly *Herod's Birthday Feast*. Another of the artists of the late-Victorian and just post-Victorian generations most strongly represented in the Chantrey Bequest is now coming up for reassessment. William Strang, indeed, would seem to be an obvious Chantrey artist, Nash, but there is something decidedly strange about his etched visions of country and seaside life. Just beneath the surface there is an almost medieval sense of brooding grotesquery which allies him with Stanley Spencer, and it can hardly be fortuitous, though it is probably unconscious, that his most innocent-looking landscapes bristle with classic sexual symbols: haystacks turn into phalluses, the merest twig is likely to transform itself into a snake and wriggle away. His is no doubt a small voice, but quite individual and well worth listening to.

**Detective action**  
Robert Powell plays Philip Marlowe in *Private Dick*, a new play by Richard Maheer and Roger Mitchell which opens at the Lyric Studio, Hammersmith, on April 21.

**accidental death of an anarchist**  
Simply brilliant! Subversive to the youth of the country. In a loud, vulgar, ribald, scurrilous, smart, sensational show, in other words, everything theatre should be. At the Lyric Studio, Hammersmith, on April 21.

**COMEDY**  
THEATRE OF THE ARTS  
ARTHUR MILLER'S "supernatural" *The Crucible*  
Thrilling production of a magnificent play. A NATIONAL THEATRE PRODUCTION FROM THE COLLECTION. To 23 May only.

**EVITA**  
The Musical  
Dance and Drama Theatre

**LPO/Chung Festival Hall**  
The Korean violinist Kyung-Wha Chung has been a favourite of audiences here for more than a decade, though she is still in her early thirties. She comes to the festival with her younger brother, Myung-Whun Chung, as conductor of the London Philharmonic Orchestra.

For his purely orchestral items Mr Chung went to the Russian repertoire, sensibly enough. Twenty years ago I used to receive copious letters at *The Times* from a reader who felt ethically constrained to assure me how impossible it was that easterners and westerners could ever understand one another's music. I have not yet the knowledge, and the nerve, to write about concertgoers of any generation with confidence as about Mozart; but the Chungs play western music with as much authority as European-born artists.

In point of geographical remoteness, the Russia of Rimsky-Korsakov and Rachmaninov is much closer to Korea than to Britain; but Mr Chung's flair for Russian music, as manifest in his firm, unruffled control of a large orchestra, has everything to do with a generation and the spread of Russian music during his formative years.

**Jimmy McCracklin 100 Club**  
Richard Williams  
One of the enduring attractions of the blues, not least to its exponents, is that it can be played as an ensemble music with a minimum of preparation. The rules are simple and familiar, allowing blues musicians of different generations and styles to communicate freely. That minimum of rehearsal, however, might have turned Jimmy McCracklin's London appearance on Sunday night from an enjoyable experience into a memorable one.

nothing to do with the country in which he was born. In all three items the conductor favoured a handsome, substantial string sound as basis for music with forwardly placed woodwind and enthusiastic brass—the latter too much, one might say, for the young Rachmaninov's climaxes for appropriate balance, so my way of thinking. The revelation of Rachmaninov's first symphony, when it was exhumed long after his death, was its close derivation from Tchaikovsky (an excellent model, though the two composers were temperamentally quite dissimilar) and its emergent idiosyncrasies, phrases and turns of harmony already familiar in later works. The fugal development in Rachmaninov's first movement went with splendid exhilaration, and that aggressive playing by the LPO, which marked the Scherzo too; the busy music of the finale perceptibly looked forward, in this reading, to the later American Rachmaninov, a kind of music that struck me before, but which can be believed.

Three movements from Rimsky-Korsakov's opera, *The Invisible City of Kitezh*, were smartly coloured and formulated, like the two later commercial art which they presage. The Sibelius concerto was given a cogent and keen reading, full of treasurable moments, rather too warmly committed, if you excuse piano style spottings of boogie-woogie. "Think" and "The Walk" were successfully negotiated, and for the rest of the set he concentrated on standards already familiar to his accompanists: Avery Parrish's "After Hours", a slow piano blues ending funk, Lowell Fulson's "Reconsider Baby" and Bill Doggett's "Honky Tonk". The audience responded with particular animation to the antics of Moore, who dredged up and displayed with evident relish every trick in the rock and roll tenorman's bag: prolonged squeals, dirty honks, buzzsaw riffs and simple riffs. He even paraded among the audience at one point, and would probably have walked the bar in the hallowed style of Big Jay McNeely had the crush not forced him back.

**Cleveland Quartet Queen Elizabeth Hall**  
Paul Griffiths  
I am quite sure the Cleveland Quartet needed no century excuse to make Bartok's second quartet the centrepiece of their recital on Sunday, for they are by style and inclination a group suited to this work like no other. They are, in the first place, very much a contrapuntal quartet, four well matched but utterly distinctive strands, ranging from the nervy, soaring leader to the cool, almost bell-like cello, and so given also their astonishingly exact ensemble, they have all the qualities needed to bring to life the subtlety of interplay and the density of events in that most puzzling of the six, the least neatly tied up.

Even at one moment of union there were four voices to be heard, and elsewhere the Cleveland let nothing pass unnoticed in the sinewy strength of their playing. Kodaly's description of the central movement as joyful seemed here very wide of the mark: the speed and precision of the dance, the sliced chords and the rapid spray of figures spoke rather of desperation, of a sensibility constantly on edge. Similarly the finale was not merely sorrowful but eerily glowing, the feeling close to parts of Bartok's contemporary ballet *The Miraculous Mandarin*.

The flanking performances of Mendelssohn and Beethoven also gained much from an unwillingness to relax with the superficial. Mendelssohn's D major quartet, the first of the Op. 44 set, became an extraordinarily tough and searching though still sprightly essay, a real vindication of those who would see this composer as one of the great masters of the string quartet. There were no easy pleasures, nothing simply delectable, but rather a work of urgency, and in the single passage where the players did pause to enjoy the texture, the trio of the minuet, their hesitation was full of strange and sinister echoes. That they made Beethoven's Op. 135 quartet meaningfully complex was less surprising, and yet the performance was certainly no less remarkable. The Cleveland nicely drew attention to the ways in which Beethoven does everything in the slow movement, begin like Bruckner and end like Mahler, gathering experience and irony as it passed, preparing for a finale where there were no simple answers, and no simple questions.

**Bishop-Kovacevich Queen Elizabeth Hall**  
Joan Chissell  
Confounding all expectations, Stephen Bishop-Kovacevich chose not to make Bartok guest of honour at his weekend recital in the South Bank Sunday series. Instead he divided his programme between two other life-long loves, Beethoven and Schubert.

His approach to the late E major and C minor sonatas, Op. 109 and Op. 111, suggested that for the time being there is no danger of his subscribing to the current vogue for Beethoven on "period" instruments. Rather than evoking an elderly phlegmatic reconciling the irreconcilable, he set out to emphasize the extremity of the composer's mood contrasts in both works. In a way that would have been impossible without the sheer debility of a modern concert grand in bursts of turbulence, or its refinements and subtleties in visionary calm. In fact he played on the instrument for which the deaf composer was already writing in imagination. In the E major sonata, the strength of his response to the first movement's climax at once made it clear that we were to

meet a highly impressionable Beethoven. The Prestissimo could scarcely have been more swift or brusque. In the finale's variations that benign calm of the theme should not go unchallenged in what followed, whether through yielding sentiment or brio, and there was a similarly warm, human heartbeat behind the concluding variations of the C minor sonata. Trills and more delicate textures were finely controlled and coloured. But in the stormy first movement of Op. 111 Mr. Bishop-Kovacevich sometimes allowed sonority to roughen. He was also unwise not to repeat his exposition. By this time Beethoven did not insert repeat signs unless he really meant them. Schubert's late Drei Klavierstücke, D. 946, again found him warmly responsive to the music's romance, and uncomfortable in his way of making it his own. Entering a different world in each contrasting episode, he was exceptionally skilful in allowing dividing lines to melt at the moment of return. Tone and phrasing were intimately seductive throughout the Twelve Ländler, D. 790, even if he did seem to forget that they hailed from the village green.

Book review

## An evening passed in uncommon company

The Churchillians  
By John Colville

(Weidenfeld & Nicholson, 1980)  
Election to The Other Club was the greatest honour Churchill could confer on those rare birds, the Churchillians—men whom he considered estimable and entertaining, and with whom it was agreeable to dine. He once told an American colleague during the Suez crisis that even a declaration of war should not prevent them having a good meal together, and to read this book is to pass an evening with the politicians and Civil Servants, the soldiers and foreign statesmen in whose company he delighted, and whose qualities were largely complemented by his own. They were a varied bunch. Some, like F. E. Smith and the mischievous Lord Beaverbrook were pre-war cronies. Others were drawn from circles with whom Churchill had professional contact in his two periods of leadership, 1940-45 and 1951-55. They include war-time generals such as Montgomery, Alexander and Ismael; Churchill's own family, and those who worked for him behind the scenes—the buoyant Brendan Bracken and the physicist (and Swedish tennis champion) Professor Lindemann. All were loyal patriots who put duty before personal predilections, few were reticent and most played berisque. John Colville, Churchill's Private Secretary in both administrations sits modestly beside him throughout *The Churchillians*. His privileged position gives him the authority to describe the Prime Minister's circle, which he does with insight and compassion—as quick to record any witty aside as he is to protect others, like the tongue-tied Wavell, from Churchill's unjust remarks.

Nevertheless, the author has already related much of the after-dinner reminiscence in *Action this day and Footprints in Time*. His personal recollections, peppered with the occasional snippet from his unpublished diaries, only flesh out the picture already given us of these boon-companions. We discover, for instance, the actual amount of

brandy that Churchill commanded the abstemious Lindemann to drink on these occasions was 32 cubic centimetres. More interesting are John Colville's indignant digressions which prove that Churchill neither sacrificed Coventry to preserve "Ultra" nor used Sir William Stephenson, the man called Intrepid, as a secret liaison with Roosevelt.

As the book goes on, it becomes apparent that many so-called Churchillians are only honorary members of the club. Some, like his over-critical doctor Lord Moran, sit uncomfortably because they had to ask to be elected. Others like Eden (who refused), R. A. Butler and Macmillan stand out because they are more than just stars in Churchill's constellation. As for De Gaulle and Truman, they are present mainly because of Churchill's interest in France and America.

Replenishing his glass, relighting his cigar and commanding the moment to remain, Churchill is the only element which binds these men of contrast, and brooding like Buddha, he looms over everything at the head of the table. Though he is moved by eloquence in the dining-room, his deep-throated growl is a reminder that he is his own master, to be assisted and advised—but not guided. His presence reduces protests and challenges to playful punches in the stomach and personalities to "myrmidons". Deafened by his master's voice, John Colville's description of them is similarly muted. Each, whether he be Sir Edward Marsh or Sir Norman Brook, is "one of the dearest friends that Churchill ever had".

*The Churchillians* may be port which has been passed round before, but it is still very palatable, and John Colville is right in saying that its achievements and failures of Britain and the United States in the first 60 years of the twentieth century. His anecdotal account of them is not so much a book about Churchillians but rather the relationship with Churchill, the most uncommon of denominators.

Nicholas Shakespeare

## Last night's television

Did Darwin Get It Wrong?  
BBC 2

John Russell Taylor

was looking for, until one was glad of the cynicism of the French palaeontologist Félix Janvier who said that the acceptance of ideas depended not on the authority of the man who expressed the ideas.

I am surprised then that nobody mentioned the theory put forward by H. L. Mencken. Pointing to the way organisms sometimes highly successful, sometimes total failures, he concluded that the world could not have been made by God, or a god, but by endless committees and sub-committees of gods, with all the bungling delay and occasional triumphs that that entails. The bursts of change in evolution would, of course, be quite consonant with the regular tours of inspection of these committees. Personally, I was worried most by the expert on bivalve molluscs who said that the only evolutionary change he could spot in these Jurassic oysters was that they go gradually bigger and bigger, then become explosively extinct. Is man, too, not getting gradually bigger and bigger? Will orange juice and fluoride do for us before the bomb does?

## Coward Show

Noel and Gertie, an evening which has been devised by Sheridan Morley and which traces the relationship of Noel Coward and Gertie Lawrence, has a single performance at the Mayfair Theatre next Sunday. The cast includes Maria Aitken, William Blears, Edward Fox, Sheridan Morley, Liz Robertson and Mark Wynter. The evening is in aid of the Combined Theatrical Charities.

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The Royal Film Performance  
1981

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(Excluding April 5th and April 10th)

Starts Sunday at:  
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Conditions	Off	Runs to	Weather		
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Powder	Good	Snow		3	
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Duprel	20	300		
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Gervais	40	150		
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from the Netherlands at Leicester in April 11, selection for the first round will be announced on Thursday.

For Youngs, however, there was the prospect of a dual world title with Melville, on whom he had been a heavy favourite, but he was regarded by many, not least the club, Waspas, as being the least of form. As a result, he was given a firm answer to the England scrum captain's question as to whether he means out of the question this season may choose turn for the England tour to Argentina in March.

Although Melville has been in the loss at Cambridge, has important examinations in the offing.

One of Melville's club colleagues, John Fuller, however, has been grounded rapidly this season becoming the first of the current crop of young, home-grown Waspas to be recognized by the England selectors.

Under-23 selection is being considered this season as a centenary celebration. Joining Waspas at the age of 16, Peter Smith was in 141st, he is only 20 and in process of learning his trade as a fly-half, but his prospects in the promising. He shares the goalkeeping duties with Peter Hughes and Under-23 captain and Peter Smith may call on him and Peter Smith at that respect tomorrow.

Waspas' Paul will be delighted to see over 500 people at the game. Paul Curtis and Simon Henderson, involved at Bath, Henderson is the first of their former club to be in the line-up. Henderson and Henderson, smothering a surprise, played in the

[illegible][illegible]

# England could separate top double pair

By Richard Streeton

England's badminton selectors may separate their women's world doubles champions, Nancy Perry and Jane Webster, for the Olympic match with Denmark at Knebworth next Friday and Saturday. The match, which is sponsored by Carlton Sports, comprises Perry and Webster, each team require three singles players and two doubles pairs.

Although Mrs Perry and Miss Webster have won the All-England title decisively on Sunday, England's forces might be deployed best by pairing each girl with a different partner. Mrs Perry has more success with a variety of partners. She and Sally Cadbeer for instance, won the recent Swedish title together.

Miss Webster, who made early responsibilities in England, might be relieved of the trouble to be relieved of the double commitments, with England using the national champions and Bridge and Sally Streeton.

Miss Webster alternately might be paired with Miss Bridge.

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# Fashion by Suzy Menkes/The International Collections

Photographs  
by Harry Kerr

## Samurai



Giorgio Armani:  
leather Samurai suit.



Krizia's warrior collar,  
tunic sweater and shorts.



Gianni Versace:  
obi sash on suede suit.



Laura Biagiotti's  
kimono cardigan.



Missoni's patchwork  
tweed coat.

## Blanket tweeds



Basile's striped tweed  
jacket and Chinese  
trousers.

## Jodhpurs



Missoni's pleated  
tweed knickerbockers  
and cardigan jacket.

## Looking eastward in Milan...

The terracotta warriors of the Qin emperor cast a long shadow over the Italian collections last week. Samurai shoulder pieces, obi sashes, kimono coats and delicate flower prints, inspired by both the entombed army and by Kuwasawa's film "Kagemusha", made the orient the leitmotif of the Milan shows.

Fashion tends to borrow like a magpie, rather than follow a pure line of inspiration, although Giorgio Armani made a strong statement with Samurai knickerbockers and short, wide trousers (but made up in his favourite menish fabric or in supple leather and tweeds).

Krizia's Mariuccia Mandelli presents a more popular front for the Chinese, with the familiar flat flower prints, pale brocades and dragon motifs of the later dynasties. Samurai warrior collars in studded leather are accessories to her soft striped tweeds and crunchy knits, rather than an integral part of an oriental feeling.

For other designers, the Eastern journey is to Tibet or Mongolia. There were luscious butterscotch sheepskin coats and boots at Genny, and Gianni Versace made throw-over blanket shawls and furry lined flat boots.

The result is a strong revival of a peasant feeling in fashion, even if those Chinese peasants today are wearing nothing more romantic than their unisex blue tunics and trousers. The peasant skirt, in floral or paisley prints at Krizia and at Laura Biagiotti, is the only serious skirt to come out of a week of fashion shows.

I realize that speaking of an ethnic fashion revival will have many women delving into their wardrobes for the Indian cotton skirts that they never gave away. The peasant feeling this time round is far cleaner, sharper and smarter than it appeared in the multi-layered hippie era. Its most successful look in Italy is with a long tunic sweater, often sashed Oriental-style at the hips, or with a short, strictly tailored jacket.

The Milan skirts were either long and peasant-like (very long indeed at Basile, where designer Luciano Soprani made his blanket or tartan-checked skirts and culottes maxi length) or they are very short on knitted dresses, at Missoni, Biagiotti and all the younger houses.

To bridge the gulf between those women who do not want to wear thigh-high sweaters with matching tights, and those who are nervous of dropping

their hemlines again, Milan produces trousers, and variations on them like culottes and shorts. The most familiar trousers are jodhpurs, which are now pleated, by all the big name designers to give a less ballooning shape at the hips and thighs. There are superb jodhpur suits at Versace, in hunting coloured cord, or in suede and leather which is now used all over Milan exactly as a fabric, teamed with silk or chiffon tunics at night and wool by day.

The flight from the tailored winter coat continues. There are now no overcoats proper in Milan, but many cape-backed and poncho shapes, always unstructured and unlined, and made in striped, and checked blanket tweeds that are the most favoured fabrics for next winter. Missoni reverses these "Irish" tweeds (actually made in wondrous colour combinations by the Italian fabric houses) to their rainbows of soft knits, or lines a knitted coat with raincoat fabric for the most elegant of mocs.

To show Italian fashion without colour is like Hamlet without the Prince, or as jewels removed from their settings. The metaphor of jewelry is particularly apt, since the colours for next autumn are

ruby red, deep jade or emerald green, a golden topaz and the clearest aquamarine.

I would have thought that there was enough inspiration in the terracotta buildings, the delicate creamy magnolia blossom and the lapis blue sky of the Lombardy landscape for the Milanese designers to draw upon. But they claim that their colour palette is from the Orient. The strong Chinese blue at Armani and Krizia's pearly white (especially effective in teardrop dresses) certainly come from East of the Arno.

Missoni are, of course, masters of colour, and their dazzling new collection harks back to the roots of their success in the early seventies. So do Tai Missoni's wall tapestries which hang in a gallery in Milan's elegant Via Manzoni.

I like to think of those patchworks of colour and textures (made incidentally, from the samples of knitting collected over 25 years) as a metaphor for Italian fashion. However diverse the design, the effect of the Milan shows is of a seamless whole of elegance, fluidity and femininity which may once have been hallmarks of the Oriental woman, but is equally true of the Italian women in the streets today.

## ...and romantic in London

The return of romance. Principal boy evening suit of moire brocade breeches and jacket, with frilled shirt and giant bow, by Chris Clyne at the London Designer Collections.

Photograph by Alex Henderson

The New Romantic movement in post-Punk pop and the forthcoming royal wedding have combined to produce a strong and consistent British fashion story.

Romance is the theme of the London collections for next autumn/winter which opened this week with a flurry of frills and a rustle of taffeta. A natural predilection towards the past has swept in the rich velvets, the figured brocades, the lace trappings and high-necked ruffs more recently seen on the stage than in society.

A principal boy, clad in velvet breeches and swashbuckling shirt has the starring role at the London Designer Collections at the Inn on the Park, where buyers could be forgiven for thinking that the entire show had been devised on one sketch pad, rather than from designers as diverse as Gina Franni, Monica Chong and Belville Sassoon.

Cinderella, as well as her Prince Charming, has a new role in London fashion for the revival of the ball gown (pioneered by Murry Arbell and Emanuel) has been given an almighty push by Lady Diana Spencer's taste.

The other major British strength is knickerwear, which is represented at the current exhibitions particularly in hand-knits, rather than the lambswool and cashmeres which are our classic export best sellers. The London Collections at the Intercontinental Hotel and the Individual Clothes Show, part of the large Olympia exhibition, are both strong on hand-knits, and there is a special show to be held at the ICA gallery later this week.

The play of it is that with such a strong theme and such a

high standard of design, British fashion is still not able to coordinate its selling tactics to make the maximum impact on overseas buyers, at whom the London Fashion Week is aimed. The travel-weary buyer is supposed to run between four different locations, none of which have any real market or speciality. For the next selling season, the situation is worse, with the design houses opening to show before the Paris collections and the mass-market selling two weeks later.

London fashion organizers constantly bewail the lack of public funding or private investment in our fashion industry, compared to our glossy counterparts in France and Italy.

I would welcome strong Government backing for an industry which is an important source of employment and a major export earner. But to merit being taken seriously, you have to look the part, and it is surely time for all those involved in the fashion weeks to put their own wardrobe in order.

A peculiarly British mix of amour propre, commercial interest and old-fashioned snobbery prevents the various organizers from working together under one roof. With the present number of participants in this trade fair (which includes for the first time this season the Fabrics Show of British fabrics), Olympia seems the only venue large enough to accommodate all exhibitors.

A more selective exhibition could be housed elsewhere, but the patience of overseas visitors is ebbing away. The time for the organizers to catch the flood tide of a strong British fashion story is now.

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Tuesday, 31 March, at 2.30 p.m.  
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Wednesday, 1 April, at 10.30 a.m.  
EARLY PRINTED BOOKS, BOOKS ON THE HISTORY OF SCIENCE, ECONOMICS, LITERATURE AND THEOLOGY. Catalogue 13.

Friday, 3 April, at 10.30 a.m. and 2 p.m.  
TRIBAL ART. Catalogue 14.

Monday, 6 April, at 10.30 a.m.  
FINE CONTINENTAL PORCELAIN. Catalogue 13.

Tuesday, 7 April, at 11 a.m.  
IMPORTANT SCULPTURE AND WORKS OF ART. Catalogue 14.

Tuesday, 7 April, at 11 a.m.  
CHRISTIE/RESELL CITY SALE OF WINE at Beaver Hall, E.C.4. Catalogue 13.

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Tuesday, 14 April, at 2.30 p.m.  
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Thursday, 9 April, at 10 a.m., 2.30 p.m. and 4 p.m.  
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Sir Robert Mark says present investigation procedures are adequate.

# Complaints against the police: are changes really necessary?

The Home Secretary's working party set up to consider recommendations by the Police Complaints Board has submitted its report. The Board had suggested that complaints of serious injury (inflicted by the police) should be investigated by a specialist body of officers—these to be seconded from police forces but answerable to someone other than a police officer.

Before considering its comments it is necessary briefly to remind readers that allegations of crime by police are outside the Board's terms of reference. The Police Act, 1964 gives the Director of Public Prosecutions exclusive jurisdiction in such cases. Only those in which he decides not to prosecute or in which there is an acquittal are likely to reach the Board.

There may, of course, be a few cases each year in which a complaint of crime by police is made directly to the Board. These would necessarily be referred immediately to the DPP or the chief constable concerned.

A second very important point is that Section 49 of the Act provides that chief officers may direct the investigation of a complaint by a police officer. The Home Secretary, request the chief officer for any other police area to provide an officer to carry out the investigation. That procedure is invoked by chief officers as a matter of routine and so far the Home Secretary has not found it necessary to issue a direction. In 1977, the number of investigations conducted by secondary forces exceeded 150.

The public however, remain generally unaware of it. Some newspapers on discovering that investigations are being conducted by secondary forces even assume that they give grounds for suspicion. They mistakenly imply that they have been ordered by a police authority or by the Home Secretary and that this gives cause for distrust of the senior officers of the force under investigation. It is true, of course, that the complexity of the issues is such that the suspicion may be forgiven for understandable error.

The third relevant point is that virtually all cases will be submitted to the DPP because they relate to alleged crime. The Board can therefore have little opportunity to experience the effectiveness of the existing machinery, which meets almost all the requirements of its recommendations. It affords a supply of skilled investigators from secondary



Sir Robert Mark

forces who report to someone other than a police officer, namely the DPP. The three aspects of the Board's recommendations not provided for by the 1964 Act are:

1. Whether such arrangements should be obligatory in relation to the investigation of complaints not amounting to crime.
2. Whether the investigation should be "supervised" by an independent person.
3. Whether selection of the investigating officer should be approved by the Board.

## The conflict when assault leads to serious injury

The first poses the difficult question that an assault resulting in serious injury must initially be considered as criminal and that the proposed change might imply conflict of jurisdiction between the DPP and the "supervisor". It seems difficult to envisage a case within the categories touched upon by the Board in which such a difficulty would not arise. Moreover, I think it unlikely that those critics whom the establishment of the Board was designed to placate would find a decision by the Board member more acceptable than that of the DPP who has unequalled experience in this very difficult field.

On the face of it, the extradition of Ronald Biggs from Barbados looks to be relatively straightforward. But, as the last attempt to get Biggs back demonstrated, such open-and-shut cases can go wrong and there is, in addition, a political consideration over which Britain has no control.

The Brazilian authorities have apparently made representations to the government of Barbados, asking for Biggs to be returned to Brazil, from where he was illegally abducted. That is not a request by the Brazilians for his extradition. Biggs has committed no crime in Brazil. The argument is that Biggs, a person under the protection of the Brazilian government, was the subject of a criminal act which Barbados should not be seen to condone. For reasons of internal politics—Biggs is popular among the people of Barbados, and there is a forthcoming election—and for the sake of good foreign relations, the government might be tempted to treat Biggs as an illegal immigrant, and deport him. It is customary to deport an illegal entrant to his last country of call—Brazil. It would be breaking all precedent to deport him, say, to Britain, or to any other country not of his choice.

Assuming, however, the case takes the legal, rather than the political channel, what will happen, and what can go wrong? The Director of Public Prosecutions, through whom the request was prepared at

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If it is contemplated that the "supervisor" would exercise jurisdiction only in those cases in which the DPP has declined to prosecute, this must give the appearance of a "second bite of the cherry". By that, I mean that it is questionable for police to base disciplinary charges on evidence sufficient to achieve conviction for a criminal offence. Clearly, therefore, the proposed change could be applied fairly only in cases in which disciplinary proceedings were thought justifiable because criminal conviction was considered unlikely.

The second proposal for independent supervision of the investigation of complaints may conveniently be considered with the third, the approval by the Board of the investigating officer. A review body which endorses its function by participating in initial investigation undermines its purpose. It is not enough to say that a "supervisor" in such a case would not be involved in its review. The Board is seen by the public to be committed and it is to the satisfaction of the public, not the Board, that any change should be directed. A supervisor appointed from outside the Board is merely an extension of the function of the DPP or deputy chief constable to someone meritoriously less experienced in this particular field.

Approval of the investigating officer by the Board, while appearing desirable to the layman, would be simply a cosmetic

device. In practice, the Board would have to seek the advice of the Chief Inspector of Constabulary or one of other chief police officers, the practice already obtaining.

Lest I should be thought unfairly critical of the recommendations I should say that of the working party's 12 members only two, both of them Board members, seem to support them. The other 10, comprising the DPP and police representatives at junior, intermediate and senior level, clearly see them as serving no useful purpose or offer no comment.

The importance of immediate investigation

It cannot be emphasized too strongly that any review process is secondary. The most important requirement in relation to complaints against the police is the certainty of an immediate, thorough and impartial investigation with a view to prosecution if the evidence satisfies the DPP, whose expertise of such investigations is unequaled and whose recommendations are accountable to the public.

Experience shows that no subsequent action of any kind will repair the omission to fulfil that requirement. Royal Commission of Enquiry can do no more than close the stable door after the horse has bolted, though occasionally they can suggest changes in the stabling arrangements.

The real difficulty for the public in considering the recommendations is that they are offered no evidence at all of the need for change. No detailed reference is made to the actual working of the police disciplinary machinery. Only research by the knowledgeable is likely to uncover its remarkable effectiveness, because the public are not told of it. No cases are cited as affording justification for such controversial and speculative change. Indeed, it is gratifying to read that the Board is generally well satisfied with the investigation of complaints. This was not, however, the objective to be attained by its creation, which was the achievement of the same satisfaction by the public.

This the Board, through no fault of its own, has not even begun to achieve, and it is not uncharitable to suspect that the present recommendations arise partly from frustration at its failure in view of the intransigent nature of the problems with which it is concerned and the lack of public understanding of them. It might be most beneficial were the Board, with the consent of the Home Secretary, to invite external inspection of its working, as did the Metropolitan Police in 1975.

The examination of A10 by a national newspaper did more than anything else could have done to convince the public of the willingness of the police to ensure accountability and if not silence, at least to embarrass its critics.

If such a move served no other purpose, it might improve understanding of the complaints machinery by politicians and journalists. It would, in any case, seem much more likely to achieve that desirable result than implementation of the recommendations of the working party.

The author was Commissioner of the Metropolitan Police from 1972-77.



A wartime meeting: General Sikorski with King George VI in 1940.

## Why this hero should be left in peace

Bernard Levin

With Poland on the brink again, what I have to say today may seem like no more than an irritating footnote to the great events unfolding there; even a footnote, however, may be a symbol, and there is a powerful symbolism at work in the story.

I am usually left uninterested in the demands (our century in particular is littered with them) for the return to his native country of the bones of some local hero who died in foreign parts. The bones, after all, cannot feel (the elaborate arrangements some people make for the disposal of their remains strike me as absurd). Full inborn fire thy father lies. Of his bones are coral made.

But one such demand, being made at present, seems to be worth resisting. The government of Poland is asking the British Foreign Office to return to the land of his birth the remains of General Sikorski, who is buried here, and the centenary of whose birth falls in May.

Why should not this simple and apparently harmless gesture be made? Before answering my question, I had better tell my younger readers who Sikorski was. After the completion of the joint invasion and occupation of Poland in 1939 by the Germans from the West and the troops of Hitler's Soviet allies from the East, many of Poland's leaders managed to get to Britain, as did a substantial number of her troops, to carry on the war.

General Sikorski was the head of the Polish Government-in-exile; he was subsequently killed, in 1943, in an air-crash at Gibraltar, and his body was brought home to Britain and interred in a cemetery at Newmarket in Northamptonshire.

The nature of the cemetery is itself of some interest. It is one of those in which are buried the Poles who died fighting as part of the Allied forces; of all the nations of Occupied Europe, none provided so many men and women to fight the Nazis, and it scarcely needs saying that no such contingent fought with greater bravery than the Poles. The hideous irony of Poland's fate should haunt the Western world until Stalin falls on us too. Sold to Stalin at Yalta (I suppose it's a mercy that the crew who so enthusiastically pursued the policy of sending bad innocent Russians to be exterminated by Stalin never managed to think up a plan for returning the free Poles to a similar fate), Poland became, and has remained, the most cruelly used of all the colonies.

Yet even if Sikorski's name had not been expunged from the doctored record of Polish history the present Polish re-

gime's demand would still be unacceptable. There is, as well there might be, a thriving organization in this country among those of Polish origin who fought in the Second World War. I remember the turning out in enormous numbers at the ceremony of dedication at Gunnersbury Cemetery, in West London, of the memorial for the 11,000 Polish officers massacred by Stalin's killers at Katyn. The Polish ex-servicemen's groups have protested against the Polish government's proposal; for them, Sikorski's memory is a symbol of their struggle and of their dead comrades' sacrifice, and his burial-place in Britain is an even more powerful symbol of the fact that the present rulers in Warsaw are shameless impostors, maintained in power by a hated enemy.

As well as being notoriously brave, the Poles are notoriously magnanimous; when they contemplate Britain's role in the story of their fate, they need to be. (That shameful role, it is worth reminding ourselves, continued all the way to the planning and building of the Katyn Memorial, obstructed to the last by the Foreign Office and the Government—and, naturally, the Church of England.) It says much for their character that their bitterness is wonderfully little directed against Britain; on the contrary, their devotion to the country in which so many of them settled is fierce and warm.

With what feeling of further betrayal, then, would they greet the news that Britain's present government was even contemplating returning General Sikorski's ashes to Poland at the request of rulers who are Polish only in name, and whose regime has not the palest shadow of legitimacy or authority? Indeed, it is hard enough that the Polish Ambassador here should even be received at the Foreign Office on such an errand.

It does not much matter whether General Sikorski's ashes lie in Northamptonshire or Warsaw; the ashes are cold, and his deeds of courage and resolution are recorded in history. But it matters greatly that Britain should stand by the free Poles, whether those in exile or those engaged in a struggle to the death in Poland. Refusing to return Sikorski's remains except at the request of a free Polish government of a free Poland would do something to demonstrate that Britain does indeed support the efforts of Poles everywhere to regain their independence and their freedom.

Whether, when, where and in what manner I return to newspaper journalism are questions I am not at present asking myself. Let alone answering. I can only advise my readers to watch this and all other relevant spaces for news. Some may in addition care to know that I have a book coming out in the autumn and another next year, to say nothing of a vista of television programmes, so the unbearable prospect of a world without my public existence is thought of not exactly in the offing.

More in good time.

## Shock horror revelation

I have been writing this column, at first twice weekly, then thrice, for 10 years; for the past four and a half years I have combined this labour with a weekly contribution to the *Sunday Times* as chief, first as its theatre critic, latterly as its chief fiction reviewer. Enough is enough; I have decided that I need a complete break with regular newspaper deadlines, and the consequence is that the last of these columns will appear on Thursday, April 23, the last of my *Sunday Times* reviews having appeared on April 19.

I shall certainly write some kind of valedictory address to my readers, at immense length and not necessarily in prose, at the time of my departure; this is just a preliminary announcement, designed to prepare the nation for what will in any case be a devastating blow, and also to stop idiotic rumours getting about,

not that it will. (My decision is in no way based on any disquiet on my part at the change of editors or proprietors, nor on any lack of confidence in the papers' future, and anyone saying or writing anything to the contrary is, and should for all material purposes be treated as, a liar.)

Whether, when, where and in what manner I return to newspaper journalism are questions I am not at present asking myself. Let alone answering. I can only advise my readers to watch this and all other relevant spaces for news. Some may in addition care to know that I have a book coming out in the autumn and another next year, to say nothing of a vista of television programmes, so the unbearable prospect of a world without my public existence is thought of not exactly in the offing.

More in good time.

## The ifs and buts of the Biggs affair

There is no question of Biggs being able to argue that his was a political offence or that his return was being sought by the British to persecute him for his beliefs?

Under the Fugitive Offenders Act, the British authorities will have to prove to the court in Barbados that Biggs is Biggs (which is not in doubt, and is anyway backed by fingerprint evidence) and that he has committed the kind of offence which is subject to extradition (the last). There is no question of Biggs being able to argue that his was a political offence, or that

his return was being sought by the British in order to persecute him for his beliefs, both of which factors would have allowed him to resist extradition.

There is, however, one possible legal avenue open to him. He will, if the court orders his return to Britain, be entitled to bring an application for habeas corpus. It is specifically stated in the Fugitive Offenders Act that a judge will be entitled to grant an application for habeas corpus if it would be unjust or oppressive to return him because of the length of time that has elapsed since the offence or since he has been at large.

This may not be as much in Biggs's favour as it might seem. In previous cases in which the fugitive had successfully claimed that he should not be extradited for that reason, the authorities of the requesting country have been dilatory either in investigating the crime or in asking for the return of the criminal. But where the reason for the time gap has been purely the criminal's, the courts have not found favour with the fugitive.

In one case in 1971 it was



Ronald Biggs in Barbados.

held that, despite an eight-year delay, the requesting country was entitled to get the criminal back because it was his own actions that had prolonged the time and the tardiness of the government.

Marcel Berlins  
Legal Correspondent

## LONDON DIARY

### Your honest, disobedient servant

Those of you who do not enjoy an office of profit under the Crown, that is to say are not civil servants, may be forgiven for having forgotten that there is a full-scale, first class, premier league industrial dispute going on in Whitehall and in government establishments up and down the land.

The revolt of the Brolly Brigade, as these unlikely militants have to be called, has not had much of a press lately, but I can assure you that their campaign of casting spanners in the wheels of state continues and, indeed, thrives.

So much so that the mandarins have asked those of their minions who are shop stewards to own up and declare how much time they are spending trying to thwart their employers' wage restraint policy—in order that their pay can be docked accordingly.

I know this because there has landed on my desk a little gem from MESH, the Ministry of Eternally Springing Hope,

otherwise known as the Department of the Environment Property Services Agency, Directorate of Estates Management, from Lambeth Bridge House a Mr Bernard Bennett has written to union officials who enjoy "100 per cent facilities time" (what you and I would call full-time shop stewards).

"The grant of facilities time," writes Bennett, "is made to enable you to effectively carry out the range of industrial relations duties to which you have been elected. This does not include time spent in furthering strike action or covering for persons who are on strike duty."

"It is clearly our management duty to ensure that government resources are not used to further a strike against the Government, and I would imagine that you for your part would not wish to draw salary for what must be, by definition, an anti-employer activity." And he asks all those involved to tell their pay liaison officer exactly how many hours they are spending in anti-employer activity, so that pay can be "abated".

"Oh yes, I'm sure your activists will be queuing up to make sure their pay is docked", said

David Hall, research officer of the Society of Civil and Public Servants, with what I detected as the oral equivalent of a smirk.

### Solidarity

The ops room of Civil Service Strike Command at Rochester Row in Victoria is a busy, cluttered sort of place, crammed with phones and bursting with top-secret files on where the strikes will hit next. Just the sort of place, you might imagine, for the Russians or anyone else to indulge in a spot of the currently fashionable trade of spying.

However, relations between the strike leaders and the Soviet Embassy are a little cool at present. When the unions had their one-day strike on March 9 and on 20 pickets outside Downing Street, they picked up on the grapevine the news that Victor Popov, the Soviet Ambassador, was due to visit the Iron Lady at home to deliver a Very Important Note.

So a union official was detailed to phone Popov's secretary with a request that the USSR should respect the compulsory picket line. There were some suspicious exchanges.



And then of course the salaries of 264 economists "should make quite a saving."

Marc is on holiday

Popov's man was very worried that there might be "intimidation", presumably having seen television pictures of unruly communists on picket lines. But he brightened up when told there would be only peaceful persuasion. So was every-

thing clear? "Da," he heaved down the phone. "We will go through."

### Cross line

In these espionage-obsessed days, the unions organizing the strikes that have robbed the Government of nearly half its revenue (which I think is only fair, as the Government robs me of a fair whack of mine) take it for granted that their telephones are bugged.

Which made it all the more surprising when one of the Council of Civil Service Unions' young lady plotters lifted her earpiece to find herself listening to a conversation about oil government communications headquarters in London, and how they could lose the bill in other people's departmental accounts. A case of the bugged bugged.

But life for the tacticians of Rochester Row does have its embarrassing moments of a different kind. It seems that one of the three new direct-line phones in the fourth-floor ops room (views over Piccadilly) was once listed as a massage parlour.

The result is that a number

of gentlemen keep on ringing Strike Command to ask if "Heather" is available, or to make even more pointed requests. When they discover whom they are really talking to, I gather that their ardour withers before you can say "flying picket".

From the Historic Houses Association programme of activities for the year: "Saturday 13 June, 'The Italians in England', tickets £6.50 including finger buffet. Friday 19 June special evening, with exhibition, 'Whose finger?'"

### The heat's on

I have had my annual call from Arthur Mackins, the weather forecaster and amateur climatologist, of Begon Regis, promising yet another scorching summer. Last year I published his rosy predictions for the summer of 1980 which were so spectacularly wrong that a cloudburst of adium descended upon our joint heads and drenched our respective reputations.

However, I entirely accept Mackins's defence that he is not in a position to predict major volcanic eruptions. What blew

him disastrously off course last year, he told me yesterday, was the Mount St Helens business. Last May, which threw a mantle of dust between the sun and my back garden.

Mackins, a retired banker, pointed out that Britain experienced precisely the same sort of dismal summer in 1912, soon after an outburst of volcanoes in Alaska.

With neck in noose and fingers crossed against eruptions, I gave you the Mackin cheer for the summer of 1981. And it has to do with Christmas Day last year having been on a Thursday.

Every time in the past 25 years that Christmas has taken on a Thursday, says Mackins, it has been followed by a fine summer, notably those of 1953, 1969 and 1973. In addition, he can trace a five-year cycle of scorchers throughout the century, starting in 1914 and lasting in 1976. The cycle filtered during the forties, but that was probably something to do with Hitler.

The scorchers cycle resumed in 1947, a year which 1981 is beginning to resemble. February 1947 was unusually hot (so was this year's) but the March was the wettest on record with

65in of rain; this March we have had well over five inches. But by June 1947 they were looking at 95 Fahrenheit in Rickmansworth.

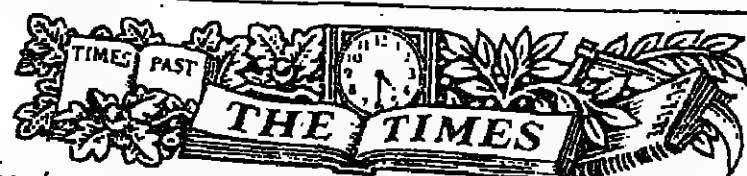
Mackins also forecasts a warmer and wetter spring than usual because the wind was from the south-east at the equinox on March 21; at the same time last year it was from the north, and we all know what the result was. This year should even avoid the traditional chilly week around March 21—ask "Buchan's cold spell".

But Mackins's most important prediction is that July 20, royal wedding day, will be hot and sunny. As before, I invite you to keep these predictions until then; you might be glad of the paper to light a fire while you watch the ceremony.

An encouraging sign that the tide of so-called progress is turning. A notice in the London Electricity Board's showroom at Mill Hill says that to offer a speedier service customers paying their bills accounts will no longer be receipted by machine; a rubber stamp will be used instead.

Alan Hamilton





P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

## AN AVALANCHE OF ECONOMISTS

The Gang of 364 university economists have, presumably, achieved their primary purpose. This was to challenge the Prime Minister's often asserted view that there is no alternative to a continuation of present policies. When 76 present or past professors, five ex-chief economic advisers to past governments and the collective leadership of the Royal Economic Society combine in such a strong denunciation of the existing strategy it must have a major impact on the intellectual debate about policy. The Prime Minister has already indicated that she is unimpressed by the exercise. The combined weight of the reputations of those involved in the exercise, however, makes it inevitable that the terms of the debate about current economic policy will have been altered. There is always a lag between changes in the intellectual climate of debate and changes in the framework of policy. It is a fair certainty that, whatever the Prime Minister's firm talk of unwavering adherence to the set path now, the trend of the path that will in fact be followed has been changed.

In summary the recent debate about economic policy has gone somewhat as follows. Post-war economic policies aimed at maintaining reasonably full levels of employment in combination with reasonably low levels of inflation had become less and less successful. In so far as they were based on governments adjusting the total level of demand in the economy, as a basis for policy had become progressively discredited. The Keynesian and neo-Keynesian economists who had believed they were possessed of the fruit of the tree of economic knowledge lost confidence in the power of their nostrums and the public lost confidence in them. In addition the continual swings

into and out of various phases of prices and incomes policies only served to underline the fact that full employment and low inflation could no longer be combined. Thus the middle ground of economic debate, so long dominated by Keynesians, was increasingly yielded to the men of the "supply side" school. They held in general that supply within an economy creates its own demand; that inflation itself by forcing the prices to uncompetitive levels was causing unemployment; and that once inflation could be brought under control there would be an automatic recovery in output and employment.

The week-end statement represents a measure of recovery in the morale and confidence of the economic establishment. They have decided to counter-attack at the moment when the economic policy of the new school, so wholeheartedly embraced by the Prime Minister and the leading economic ministers in the present government, is beginning to look unrealistic in its own turn. It seems clear that the number and quality of those agreeing to sign the statement have been substantially increased by the Chancellor's recent budget. For he chose deliberately not to fudge the central issue. In the face of the evidence that the Government's central economic strategy had not worked as expected during the first two years of this administration, he chose not to modify the policy but to press on, claiming to have learned from past mistakes.

Yet, for all the undoubted impact of the statement, it is essentially negative. It asserts that neither theory nor evidence supports the belief that further reduction in total demand will permanently control inflation and thus induce an automatic recovery in demand. It also asserts that there are alternative policies.

No doubt it is unreasonable to expect 364 economists to agree to any positive statement of what such alternative policies might be. Politicians, however, cannot afford the luxury of contenting themselves with negative criticisms of particular policies. For, if one policy is rejected, something in practice has to be put in its place. Mrs Thatcher is right to reject any suggestion that the very real gains in terms of reduced inflation and a greater sense of reality in our commerce and industry should now simply be thrown away.

There is gathering evidence that in a period of relatively high inflation it is impossible to impose very low rates of growth of the money supply and damaging to attempt to do so. It would, however, be quite wrong to abandon any attempt to have a restrained monetary policy. It has indeed been a source of weakness rather than strength to the Government in the past two years that its primary economic targets were set in over-simple terms of one monetary measure, the well-known sterling M3. In the next eighteen months the authorities would probably be wise to allow more scope for judgment.

It is also time to accept that the disadvantages of further deflation of the economy are seriously outweighing the advantages in terms of improved competitive performance. The time has come for monetary and fiscal policies to be adjusted in such a way that gradually rising demand can take advantage of the improvements on the supply side of the economy that have taken place in the last two years. This is not a call for a programme of excessive reflation. It is simply a recognition of the fact that little more of benefit is to be gained by further squeezing the system, while much industrial and social damage is now in prospect if output trends continue downward and unemployment trends continue upward indefinitely.

## Social Democratic prospects

From Mr Richard Lamb

Sir, There is a strong parallel between the Social Democratic Party today and the New Party in 1931. Fifty years ago in March the New Party was launched by five MPs who had forsaken their own parties. Their policy was to allow the public sector borrowing requirement to soar in an attempt to reduce unemployment and they wanted, like the SDP, to transform the face of British politics.

Oswald Mosley, the New Party leader, then untainted by fascism, had been both a Conservative and Labour MP, and because of his stand against the evils of unemployment probably had more electoral appeal than anyone in the SDP today. However, unlike the SDP, the initial launch was a flop. Mosley was ill, W. J. Brown, MP, the initial leader, was a flop. Strachey, MP, had to go it alone without much success.

However, at the Ashford-under-Lyme by-election the New Party soon got a full dose of national publicity and in the absence of the Liberals polled enough votes (14 per cent) to let the Tories win a Labour seat. This must also be a likely result of SDP intervention today in Labour seats.

In 1931 the New Party urgently needed a deal with the Liberals, who also advocated high state unemployment, and a pact was struck. This was impossible because the New Party demanded high import duties, which the Liberals would not even consider.

Without any agreement with the Liberals the New Party faced disaster in the 1931 general election. In your leader today (March 27) you write of the need for "a deeper alliance between Liberals and SDP to make the new group credible. This is a lesson from 1931 which holds good today."

The Grimsby Liberal revival in 1964 and the Thorne Liberal revival in 1974 failed largely because the Liberal image was not quite credible enough, mainly because none of their leaders had any experience of running an office. This Liberal gap the SDP could fill.

If there is to be a reshaping of politics in the next Parliament, some of the former Labour ex-ministers who have joined the SDP must be elected, and without a fusion or close alliance with the Liberals this is unlikely because they will not get a chance to contest the vulnerable Tory seats. No doubt SDP support would make all Liberal candidates more credible, but in terms of getting SDP candidates elected the Liberals have even more to offer the SDP.

The SDP image cannot be maintained at its current level for the two years until the general election and without the right relationship with the Liberals they risk vanishing into thin air, as did the New Party in 1931.

Yours truly,  
RICHARD LAMB,  
Knighton Manor,  
Broadchalke,  
Salisbury, Wiltshire.  
March 27.

## Constructive dissent

From Dr Brian Mawhinney, MP for Peterborough (Conservative) and Mr Michael Ancram, MP for Edinburgh, South (Conservative)

Sir, We write in the hope that you will make space available in your paper to enable the 364 economists' signed yesterday's statement (The Times, March 30) criticising government economic policy to set out the unanimous alternative which they obviously and honourably must have had in mind in order to make the criticisms which they have.

Yours faithfully,  
BRIAN MAWHINNEY,  
MICHAEL ANCRAM,  
House of Commons.  
March 30.

## Television right of reply

From Dr Michael Rose

Sir, It follows from the letter by Legation Dr Rees (March 21) that television companies are indicted by their failure to evolve a proper, effective and public scheme for correcting false information and for modifying discredited or misleadingly presented information. Without such provision they literally get away with murder. Unlike government they have no obligation to stand by their errors. The integrity of the medium and of its officials falls apart at the seams, either by virtue of the assumption—that they are always correct for as correct as they can be—or that it doesn't matter.

ITV has ample opportunity to put right their error concerning Mr Le Carré (The Times, March 17) during their coverage of Maurice Oldfield's funeral on March 19. If that is not perceived as a primary public responsibility prior to the further dissemination of news, then it is just another example of performance. As it stands, television is both a pervasive and attractive, though often unreliable, chronicler of current affairs. The sing-song analysts appear on the screen as if they sat to judgment from another planet and have been employed also to rewrite the scenario, subordinating matters of substance to the indulgences of form and style.

Since the producers take credit they may also see fit to take responsibility. Except, what is to become expedient to sink Death of a Princess, such an inclination is not much in evidence. With the BBC, however, it is not only important but may be deemed a public right to know that the producers and governors have got the message. That is still something they haven't got. Opinion is like the wind, insubstantial with a potential to devastate.

Yours faithfully,  
MICHAEL ROSE,  
Haematology Department,  
St James' Hospital,  
Sarsfield Road, Batham, SW12.

## LETTERS TO THE EDITOR

### University options in leaner times

From the Vice-Chancellor of Brunel University

Sir, Your leader of March 19 described in reasoned terms the difficulties of universities. Given a determination to survive, however, there is no reason why any institution should be unable to adapt to the new situation unless cuts are made so severely and so quickly that there really is no time to do so.

If our assured income from government sources were reduced by 11.7 per cent, as appears to be the Government's present intention, we have at least three possibilities: to earn money from other sources, including those overseas; to urge those who have already earned a reasonable pension to retire early from full-time service; and a last resort, and after consultation and agreement with our staffs, to forgo part of our salaries and adopt short-time working until money is again available to fund the investment in the future that universities represent.

Even if we were forced to accept short-time working we would still be in no worse a position than many of our counterparts in industry. Who knows, we might even be setting an example appropriate to others whose employment is secure.

With 15 per cent less money we will certainly not be able to provide all the facilities or teach all the students that we have in the past; but we must surely try to avoid the human distress and waste that are inevitable when unemployment is high and to preserve our institutions ready for full use when policies again change.

Yours faithfully,  
S. L. BRAGG,  
Brunel University,  
Uxbridge.

From Mr A. J. Burkart

Sir, In his letter (March 24) Dr O'Brien, in polarizing the work of a university into productive and non-productive, overlooks the power of traditional disciplines. He mentions the study of tourism in which half-a-dozen of my colleagues and I are engaged. Tourism is of course not itself a discipline, but rather a domain of study on which several disciplines may be brought to bear. It so happens that most of us have a background in geography or

### Turkey and Armenia

From the Turkish Ambassador

Sir, At a time when international terrorism is extensively casting its shadow on the civilized world I was deeply concerned to read in The Times a newspaper article on an Armenian subject, entitled "What an Armenian remembers". The whole approach of the article confirms Mr Levin's views as solely based upon some biased and one-sided quotations from Armenian sources and allegations. Surely a journalist of his calibre, before condemning an entire nation, should have carried out a serious and objective research into the subject. Almost half of his article consists of quotations from a single "study" which seems to be based mainly on Armenian sources.

I wonder why he does not give a full picture of the incidents that took place in that period? He makes no attempt to examine the reasons why the Turkish and Armenian communities in the Ottoman Empire became two hostile groups at the end of the nineteenth century. When left immune from outside investigations, the Turks and Armenians lived and worked together peacefully for many centuries during the Ottoman era. Allow me to point out that as late as 1912 the Minister of Foreign Affairs of the empire was a gentleman of Armenian origin. There were many other Armenian ministers, under-secretaries, ambassadors, etc.

The historical fact is that the peaceful, law-abiding Armenian citizens of the Ottoman Empire were persecuted by some great powers, one of which was Russia, mainly through some Armenian terrorist organizations, such as Dashnaktsoutoun, Hentchag, Ramgavar and Viragunian. These powers, and the terrorist organizations, were determined to set up a new Armenian state as soon as possible. In a way, Armenian citizens of the empire became pawns in the hands of these powers and organizations, and the Armenians allowed themselves to be manipulated by them.

Moreover, Mr Levin prefers to keep silent about the number of Turks massacred (some hundreds of

thousands) by the same Armenian terrorist organizations of that period. If he would take the trouble of examining further the whole question, and particularly the documents in the British Public Record Office, I am sure he would arrive at a very different conclusion.

Mr Levin's crude remarks about Atatürk, to say the least, are most insulting and totally unacceptable. Atatürk's great achievements are well known and admired throughout the world and have so far been amply reflected in The Times too. It would surely add little to the works of eminent scholars such as Professor Tynbæ, Bernard Lewis, Dr Geoffrey Lewis and Lord Kinross in order to better evaluate Atatürk and his great achievements.

As to Mr Levin's remarks about the present condition of the Armenian community in Turkey, may I remind him that the spiritual leader of this community, Archbishop Kaloustian, in a recent interview, has emphasized his gratitude on behalf of his own community and has pointed out that it was Atatürk who had brought peace and prosperity to the non-Muslim citizens of the country? I am sure that the Armenian Archbishop in Turkey is in a much better position to pass judgment on this subject, and on the present situation of the Armenian community in the Turkish Republic.

It is interesting to note that while Mr Levin expresses "great sympathy" for the Armenians who would retain old memories "for another century and more", there are also serious and responsible spiritual leaders of various Armenian communities throughout the world who condemn terrorist acts and advocate reconciliation. As is known, Pope John Paul II has also voiced his concern over terrorism, and appealed to the Armenians to refrain from resorting to violence.

Surely your distinguished paper, and Mr Levin with his wide experience, can play a more constructive role in this issue, and contribute to the creation of a better understanding.

Yours faithfully,  
YAHAP ASIROGLU,  
The Turkish Embassy,  
43 Belgrave Square, SW1.  
March 27.

From the Director of the International Students' Trust

Sir, Unfortunately, Professor Norrie's glowing commendation of four overseas students (March 26) can be applied to all areas of the world where British prestige and influence still persist.

A week or so ago a computer technician from a Third World Commonwealth university told me: "I was brought up to admire British things and I still pass on that whole some prejudice to my students. But now other countries, such as France, are encouraging my students with scholarships and offering well-paid bursaries to junior staff, while you put up your university fees to levels that compel us to send our students elsewhere. Soon there won't be any British influence left. I am sad and baffled; do you know what you are doing?"

Yours truly,  
H. A. SHAW, Director,  
International Students' Trust,  
229 Great Portland Street, W1.  
March 27.

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Yours faithfully,  
YAHAP ASIROGLU,  
The Turkish Embassy,  
43 Belgrave Square, SW1.  
March 27.

From Mr Chapman Pincher

Sir, I write in support of Sir Harold Wilson's statement to you (report, March 30) that Lord Mountbatten was in no way involved in any plot to stage a coup to take over the Government in the sixties. I had several long conversations with Lord Mountbatten during the first Wilson premiership and was astonished by the warmth of his regard for Sir Harold, both as a person and as a Prime Minister. At that time I was highly critical of Sir Harold and his administration, but Lord Mountbatten repeatedly tried to convince me that I was wrong, particularly concerning the Labour Government's policy on defence.

I can testify that Lord Mountbatten's high regard for Sir Harold continued into the seventies. I believe that both Sir Harold and Lady Falkender visited Broadlands, the intent of the court to chastise was deduced from the fact that costs were awarded against the justices.

In fairness to the justices concerned I should point out that the divisional court has since amended that order so that costs of both parties are paid out of central funds. No doubt you will wish to note the fact.

Yours faithfully,  
IAN MCINTYCK,  
Clerk to the Justices,  
Magistrates' Clerk's Office  
(Mid-Devon),  
Bradninch Hall,  
Castle Street,  
Exeter, Devon.

## Making decisions in wartime

From Field Marshal Lord Carrer

Sir, As one who served under Field Marshal Auchinleck in North Africa and held him in great admiration and affection, both as a soldier and as a man, the last thing I would wish to do on the morrow of his death is to rake over the coals of old disputes. However, I feel that I must attempt to redress the injustice which your obituary (March 25) does to General Ritchie. While Field Marshal Auchinleck himself maintained a dignified silence in the face of public criticism, much of it unjustified, those who have taken up the cudgel on his behalf have followed the line, which your obituary reflects, of putting all the blame for our defeat in the summer of 1942 on General Ritchie and evicting Field Marshal Auchinleck. General Ritchie himself has also maintained a dignified silence and, to my knowledge, has sprung in his defence.

The statement of the charge against Ritchie is repeated in your obituary that Ritchie "threw away" Auchinleck's advice to hold back his armour and concentrate it in a counter-attack against Rommel and instead "dispersed his armour in penny packets, enabling Rommel to destroy it".

The facts are very different. Auchinleck wrote in Ritchie's seven days before Ritchie attacked, forecasting that the latter would try to break through the centre of the Gazala line, while making a feint round the south of Bir Hacheim. He urged Ritchie to concentrate the three armoured brigades of the 13th Corps in the centre to meet this, attacking Rommel's forces as they emerged from the minefields.

Although Auchinleck had the advantage of access to higher-level intelligence, Ritchie was not convinced that he could disregard the threat of a thrust round his flank, which might have reached his vulnerable forward base area and airfields before it could be countered if Auchinleck's proposal had been accepted.

It was as well that he did not accept it. Auchinleck's forecast proved to be quite wrong, but unfortunately was instrumental in making General Norrie, at least, reluctant to accept the evidence that he came in from our armoured cars during the night of May 26-27 that the move round Bir Hacheim was not a feint, but the main thrust. The fact that Norrie's armoured brigades were not concentrated in time to meet it was no fault of Ritchie's.

The blame for it must be shared between General Norrie, Messervy and Lumsden. In any case, the armour was by no means destroyed by the end of that day, only one of the four armoured brigades suffered significant casualties. In the subsequent tank battles the armour suffered its principal losses on June 5 and 12, the days on which it was more concentrated than on any other day.

As I have, I hope, made clear in my book, *Tobruk*, the causes of our defeat were varied and complex. General Ritchie faced many grave handicaps, not the least of which was having his Commander-in-Chief "breathing down his neck" both before and during the battle.

To say that Field Marshal Auchinleck's "own appreciation of Rommel's choices had been 'faultless' is a distortion of history that should not go unchallenged. Ritchie could, with some justification, have attributed a significant proportion of the blame for his defeat to his subordinates; but, in the best tradition of the British Army, he did not do so, and should be respected for it.

I have the honour to be, Sir, Your obedient servant,  
CARRER,  
House of Lords.  
March 25.

## Unions and the economy

From Mr David Fieldhouse

Sir, Lord Rotherhall (March 18) is ever going to the heart of the matter. The economic problems stem from our inability to reconcile low unemployment and high profitability, in short prosperity, with tolerable inflation. In prosperous times the power of organized labour to obtain wage increases is too great, and even in the present slump some unions in the public sector have demonstrated their ability to secure increases well above those in the private sector and well in excess of current and prospective rates of inflation.

A reform of the wage-bargaining system is what is required, but it must be obtained by the agreement of those concerned, and, as Lord Rotherhall points out, "all efforts over the last 30 years have failed". They will continue to fail until the need for such reform is openly recognized by our political leaders, and unitary sufficient of them unite on this issue.

When parties which command 75 per cent of the votes cast (instead of the 44 per cent of the present Government) put this at the top of their list of priorities they will carry sufficient authority to negotiate a more enduring settlement with the unions, the majority of whose members will, in all probability, have voted for the parties concerned. Is it Utopian to hope for this?

Yours faithfully,  
DAVID FIELDHOUSE,  
R. M. HARTWELL,  
NEVILLE JOHNSON,  
M. F. G. SCOTT,  
F. SETON,  
Nuffield College,  
Oxford.  
March 18.

## Diminishing returns

From Dr J. Hawgood

Sir, Computers (letter, March 27) can expand mailing lists, ton. I received two otherwise identical letters addressed to J. Hawgood and D. Phil. Yours, etc.  
JOHN HAWGOOD,  
21 From Brook Hall,  
Durham City.  
March 27.

## PAKISTAN IN THE FRONT LINE

Between one and a half and two million Afghan refugees have now streamed over the border into Pakistan, and have made their homes in semi-permanent encampments. The West's concern for these victims of Soviet aggression was voiced over the weekend by Lord Carrington, who visited the refugee camps and offered £4m in aid. The Government of President Zia ul Haq is clearly hoping that Western aid will increase not only because of the refugee problem but also because of Pakistan's strategic position.

The new Administration in Washington has certainly given President Zia grounds for optimism. Under President Carter the United States offered Pakistan \$400m over a two-year period, but refused military aid as long as Pakistan was both suppressing human rights and developing nuclear weapons. President Reagan, by contrast, has made it clear that he sees Pakistan as a frontline state in the world-wide struggle against Soviet Communism. American officials have stopped talking about conditions, and have spoken of aid for Pakistan to the tune of \$500m a year.

Economic assistance to Pakistan is clearly justified. So too is the sale of arms, whether

## NATIONAL POLITICS AT COUNTY HALL

An innocent observer at yesterday's launching of the Labour Party campaign for the Greater London Council elections might have been forgiven for remaining uncertain whether the elections in May are to determine the tenure of County Hall or of that other place on the opposite bank of the river, Sir Horace Cutler was awarded a taunt or two, but the real villain of the occasion was Mrs Thatcher. The polite fiction which holds that voters in local elections are swayed by local issues was almost disregarded. In this, the Labour Party showed sound judgment for two reasons. Events on the national level have probably already lost the GLC for the Conservatives, whatever their candidates in the election itself may do or promise. Moreover, the Labour manifesto for London is of a character quite as likely to alarm as to attract any voters who become aware of it: diversionary tactics are therefore wise.

The GLC electorate is always inclined to the left. A swing of only two per cent from the level of support the Conservatives had at the last general election would be enough to restore control of the GLC to Labour. There are many Liberals standing this year, as well as a handful of Social Democrats pointedly unblinded by the tetrarchs of the new party,

but although these may expect to do well, they would have to do startlingly well to secure a balance of power.

The Conservatives base their campaign on a claim in good husbandry. They have paid off the large debts that their predecessors ran up (except for housing capital debt), reduced manpower by 16 per cent, and kept rate increases well below the average. These achievements are partly once-for-all effects of the council's policy, broadly welcome, of restricting its activities to a more truly strategic role, but it is a solid record, more conservative (without the capital letters) than Sir Horace's love of showmanship sometimes suggests.

The Labour programme, by contrast, deliberately calls for higher spending and higher rates. It would be likely to double the GLC precept within two years. Through municipalization and new building, it would seek to re-create the GLC housing empire that the Conservatives rightly dismantled, because it was too large to administer effectively. It would plunge expensively into direct labour again. It would cut London Transport fares by 15 per cent and then freeze them for four years, an open-ended and indiscriminate subsidy which would put six to eight pence on the rates at once. In addition, it promises to recruit

more London Transport staff and pay them more. An earlier proposal to abolish fares altogether was shelved because of trade union concern that the disappearance of tickets might eventually threaten the employment of ticket-collectors. There is a case for discriminating investment in better equipment and management in public transport, but these proposals seem adapted only to subsidize the growth of waste.

In London as in other cities, the power of the Left in the party is a consequence of its weakness in the growing Mr Andrew McIntosh, the party leader in the GLC, is relatively moderate, but soon after the election his leadership will be challenged, quite possibly with success. The priorities of a substantial body of opinion within the party were expressed in a longer version of the manifesto, not mentioned yesterday but not repudiated which committed a Labour GLC to resist Government appeals for spending cuts, to encourage strikes against them if necessary, and to make itself the focal point of a national campaign to bring about an immediate general election. It is carrying contempt for local politics too far when power on the GLC is sought openly, less to serve the electors of London than to use County Hall as a lever to overthrow the Government.

## Civil Service salaries

From Mr Martin Vandenberg

Sir, Your listing (March 20) of Civil Service salaries, and those of the "similar private sector jobs" with which they need to catch up is illuminating.

You list six private sector jobs and their associated salaries. These are (and I quote your descriptions exactly as printed) in a leading pharmaceutical company, a leading chemical company, a large manufacturing company, a large oil com-

pany in central London, and two clearing banks.

In other words, the salaries being paid by the charmed minority of most affluent and secure types of business in the private sector, bearing little relation to the world which most of us inhabit: the "private sector salary level" for a civil servant, if we are to believe the Civil Service table, is thus £5,369, plus subsidized loans or mortgages, plus subsidized meals worth £330 a year.

Fascinating! In my own company (and, I suspect, most others in the

private sector) copy typists get £1,000 less, the ordinary allocation of luncheon vouchers, and no subsidized mortgages.

Would that we had pay comparability with a selection of chemical, oil, and banking concerns at the upper levels of the private sector—and the ability to put our hands into the taxpayer's pocket to extract the largesse we had "calculated" was due to us.

Yours faithfully,  
MARTIN VANDENBERG,  
21a Gwendolen Avenue,  
Putney, SW15.







THE TIMES  
BUSINESS NEWS

هكذا من الاجل

EEC reassured  
on China  
trade,  
page 20

**Stock markets**  
FT Ind \$18.8 down 2.5  
FT Gilt \$9.62 down 0.54

**Sterling**  
\$2.2325 up 1 cent  
Index 100.6 up 0.2

**Dollar**  
Index 100.5 down 0.2  
DM 2.1153 down 27pts

**Gold**  
\$322.50 down \$1.7

**Money**  
3 mth sterling 12 1/2-12 1/4  
3 mth Euro \$ 14 1/2-15  
6 mth Euro \$ 14 1/2-15

## IN BRIEF

Shares in  
money  
broker  
suspended

Shares in R. P. Martin, the money broker, were suspended yesterday at 184p. The company has been the subject of bid speculation since Bierbaum, the German money broker, acting with Mr. Tony Whyte and Mr. Hunter Kreissel, bought a 29.9 per cent stake last November. Yesterday it was announced that Mr. Whyte and Mr. Kreissel were no longer acting in concert with Bierbaum.

West Midlands claim  
o Nissan site

The West Midlands county council is spending £20,000 on ending a five-man delegation representing business and trade interests to Tokyo with a view to five suggested sites for an attempt to win the proposed £200m Nissan car plant. It claims that its lack of status as an assisted area will not provide government grants for the project.

## Protest strike

The 1,400 workforce at the Iswick Works of Vickers engineering in Newcastle upon Tyne went on strike after the management announced nearly 70 redundancies and a reorganization of plant. The strike was said to be a protest about the "complete lack of consultation" on the changes, and the men are expected to return to work today.

## Blue Circle investment

Blue Circle Industries is planning investment totalling £60m to improve the energy efficiency and reduce manufacturing costs. Two kilns at Whitfield, Kent, will be converted to a new plant sited at the company's site Shipston-on-Cherwell, Oxfordshire, programme will be completed by 1984.

## Turner warning

Mr. Stephen Gibbs, the chairman of Turner & Newall, said the annual report that some other slimming down in the group's United Kingdom operations may be needed to take advantage of opportunities of an economic revival. The Manchester-based group made pre-tax profits of £6m and 4,400 left the group.

## Light gilts trade

First-day trading in the new desk-linked Treasury 2 per cent 1996 stock, was light. The price held flat for most of the day before drifting off to close at 24 1/2 per cent. The stock is 5 p paid until May 1.

## Joe Ples 'dismissed'

A United States appeals court dismissed St. Joe Minerals' request to stay a lower court order restraining it from proceeding with its proposed \$45-a-share tender offer, according to a spokesman.

## Shipbuilders' pay offer

British shipbuilders last night agreed to pay offer of 70,000 annual workers to more than 10 per cent. Its previous offer was 6.8 per cent.

Governor less optimistic  
than Chancellor  
over economic upturnBy David Blake  
Economics Editor

Mr. Gordon Richardson, Governor of the Bank of England, yesterday carefully refrained from adding his voice to that of government ministers who are saying that we have touched bottom in the recession.

At a meeting of the House of Commons Treasury Select Committee yesterday, Mr. Richardson said that it was impossible to predict just when the economy would turn. When recovery does come, it will be weak, he said. Last week Sir Geoffrey Howe, Chancellor of the Exchequer, told the committee that the economy should touch bottom some time in the first half of this year.

Mr. Richardson did give a firm endorsement to the Government's refusal to slacken the fight against inflation. He said that if companies and individuals could cut costs by becoming more efficient, growth without inflation should be attainable.

Mr. Richardson endorsed the Chancellor's view that stock prices are the driving force behind the recession in 1980 may be coming to an end. There was still some way to go but it should turn round in the near future.

Although there were some signs of companies starting to order, that was not yet strong enough, he said. And he said that factors such as the loss of competitiveness would tend to counterbalance any recovery caused by stock building.

Mr. Richardson's cautious tone provoked some committee members to try to get him to comment on the CBI's prediction that output will fall until the end of this year. He refused to be drawn, saying that the most difficult thing to do was

to say exactly "where we are now" in any cycle.

His tone was distinctly less optimistic than that of Sir Geoffrey Howe last week, who drew attention to all the positive factors which he said indicated that an upturn may be on the way soon. Mr. Richardson drew attention to the problems currently confronting the world.

Higher energy prices had both cut output and forced other countries to adopt tight demand management policy, he argued. This meant that recovery throughout the world would be slow.

Mr. Richardson wholly endorsed the decision in the Budget to cut public borrowing. He said that raising borrowing of the public sector would be a disincentive to the private sector.

He also endorsed the PSRR which would take some pressure off interest rates, and would thus shift the balance between different sectors of the economy.

Committee members asked him if there were any circumstances under which he would be prepared to advocate a fiscal stimulus during the course of the year, but he refused to discuss hypothetical questions.

The closest the Governor came to criticizing the Chancellor was in a discussion of the windfall tax on bank profits announced in the Budget. He said that he was clearly not happy about the tax but could not oppose it unless he had an alternative.

He accused the banks of being leading to companies which were in trouble, but declined to comment on suggestions that the net effect of the tax decision could be to impose very large borrowing need on the Government.

The Governor was distinctly cool about any rapid move to monetary base control. He said

that changes announced at the time of the Budget ought to be looked on as justified in their own right, though they would not make control of sterling M3 easier.

He did stress that some of the changes—namely spreading the requirement for cash assets to all banks, not just the clearing banks—would give the authorities the chance to see how a monetary base system might work. But he made a strong plea for leaving the authorities some discretion over the use of interest rates.

He drew particular attention to the fact that Swiss interest rates are still determined partly in line with discretionary decisions by the Swiss Central Bank, which takes into account such factors as the exchange rate.

The Prime Minister has cited Swiss experience as part of the case for swinging towards a monetary base system of control, relying much more on automatic changes in interest rates than does the present British system.

The Governor stressed the extent to which monetary policy now takes account of more than one factor, although sterling M3 is the only one which is subjected to a formal target. He said that the exchange rate was also taken into account, although there was no formal target for sterling parity.

He gave the European Monetary System a warm nod of encouragement, pointing out that West Germany, which is a member of the EMS, is not lax in its control of the money supply.

He reiterated previous statements that the United Kingdom would join the European exchange rate mechanism at an appropriate time, but it is believed that no decision along these lines is imminent.

Whitehall  
strike may  
be costing  
£2m a week

By Melvyn Westlake

The reduction in the flow of tax revenue resulting from the three-week old industrial action by civil servants, has forced the Government to borrow an additional £800m, which could cost the taxpayer about £2m a week in interest charges. And it will also have the effect of temporarily pushing up the money supply.

Although the Government is trying to play down the effects of the dispute on finances, there is evidence of mounting difficulties. Mr. Leon Brittan, Chief Secretary to the Treasury, denied in the House of Commons yesterday that the action of the civil servants' unions posed any risk to the Government's overall economic management.

The tax money not getting through would eventually be paid, he said. About three quarters of the normal tax revenues were being received by the Exchequer.

Mr. Brittan assured the House that, at most, there will be a short-term increase in the money supply which will subsequently be corrected. The main effect at the moment was the inconvenience to the public. But the prospects for inflation would be seriously harmed if the Government gave way and conceded excessive pay settlements.

The Chief Secretary was forced to admit that the borrowing requirement for the financial year ending on March 31 would be £500m to £750m more than given at the time of the Budget. The figure given then was £12,760m.

It became clear in Whitehall later that the increase in government borrowing caused by the civil servants' action was a little higher than the top end of the range given by Mr. Brittan. The reason for this was some offsetting factors which would, in the absence of strike action, have caused such borrowing to have been lower than expected at Budget time.

Last week civil servants' leaders claimed that their industrial action was cutting off about two fifths of the Government's revenue and had crippled state borrowing.

A Treasury official said that in terms of the gross flows this figure was "in the right ball park". But there were offsetting flows such as VAT repayments which were also not being made. Therefore, the net effect on government finances was somewhat smaller.

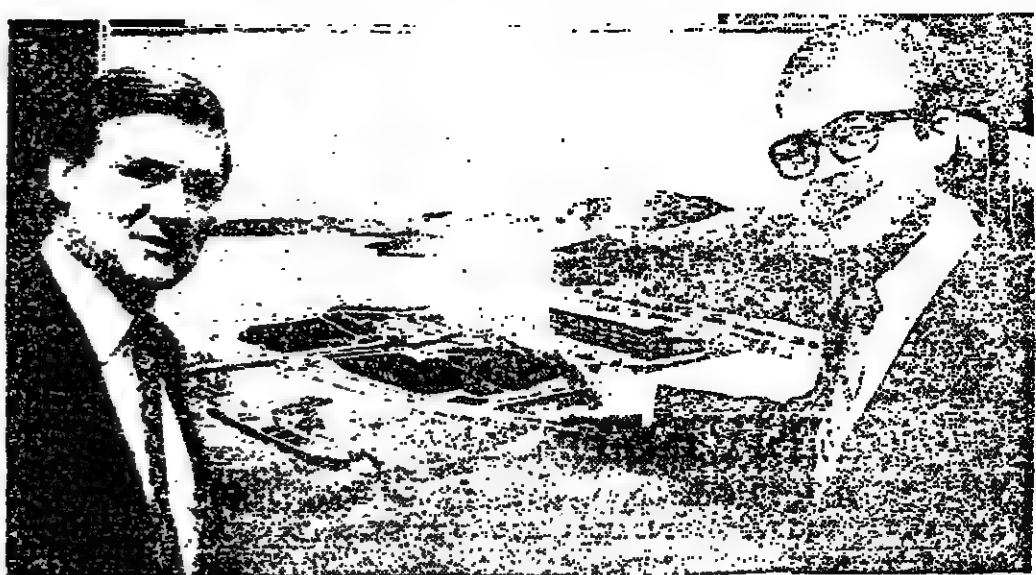
If the dispute had not taken place, the Government would probably have borrowed around £500m in March. As a result of the strike action borrowing will be substantially in excess of £1,000m.

Mr. Brittan claimed in the Commons yesterday that borrowing would not be higher than the Government had planned. This, however, appeared to be only a semantic point.

What usually happens at this time of the year when there is a strong seasonal flow of revenue to the Exchequer is that the Government reduces some of its outstanding debt in the London money markets.

The drop in tax revenues means that the Government will not be able to reduce this outstanding debt by anything like the amount it had planned. This means that the action of civil servants is not leading to new borrowing but to an extension of old borrowing.

The result is the same. It will still lead to increased borrowing charges. Short-term interest rates in the money markets are around 12 per cent. The short-term nature of the extra borrowing will enable the Government to reverse the position quickly when the delayed revenue eventually flows in to the Exchequer.



Hongkong deal: Mr. Kenneth Baker (right), Minister of State for Industry, and Mr. Cecil Parkinson, Minister of Trade, at the Department of Industry yesterday, giving details of the £550m order for the Castle Peak B power station in Hongkong, which was awarded to an industrial consortium led by GEC. The station is the larger of the two in the artist's impression of the Castle Peak site.

Successful negotiations of the deal involved teamwork by several government departments, including the Export, Credits Guarantee Department. The City's largest

project financing package is being arranged by Schroder Wagg.

The first of the four planned 660 megawatt units at the station should enter commercial operation in 1986, with all four in operation by 1990. The order was placed by China Light and Power Company and associates, which supply electricity to Kowloon and the New Territories of Hongkong, and also supplies some power to the adjacent Chinese Province of Guangdong.

Details, page 22  
New approach, page 23

Poland seeks \$1,000m  
bridging loan as  
debt talks open

By Michael Prest

On the eve of today's meeting in London at which a group of western banks is to discuss with Polish bankers and officials rescheduling the \$3,100m (£1,377m) repayments due this year, it is understood that Poland has reiterated its request for a further \$1,000m bridging loan and for six months' relief on the payment of principal on commercial loans.

Although such requests can be seen as part of the bargaining position adopted by Bank Handlowy, the Polish foreign trade bank, they could further complicate the negotiations, already made difficult by the uncertain political outlook and by Poland's dearth of foreign currency.

At the latest count Poland's external debts amount to \$23,100m. Of that sum \$12,700m is owed to banks and \$10,400m to western governments and export credit agencies. Poland also has debts outstanding to Comcon members, chiefly the Soviet Union.

The Poles asked at meeting in Paris at the beginning of March that the \$3,100m they should repay to western banks this year be rescheduled. The suggestion came soon after governments had been asked to reschedule the \$4,400m Poland owes them.

Since the governments have not made up their minds about this request—partly because the position of the new American administration is not

clear—it is thought possible by banking sources that no agreement will be reached at today's meeting. The meeting could be extended to Wednesday.

Western banks in 13 countries will be represented today by a steering committee headed by the Chase Manhattan. Mr. Peter Greer, a senior vice-president of the Chase who specializes in Eastern Europe, is moderator of the committee. He will soon hand over the position to another banker.

After the group has conferred in the Armourer's Hall in the City during the morning it will meet the Polish delegation, headed by Mr. Jan Woloszyn, deputy chairman of Bank Handlowy, in the afternoon.

Much the biggest problem facing the banks is Poland's request for new financing. There seems little doubt that the banks will have to reschedule existing debts, but there are sharp divisions of opinion over the advisability of making fresh loans.

Poland has estimated its total external financing needs for this year at \$10,900m. Debt repayments to banks and governments account for \$7,500 of that, while interest payments on current debts will be \$2,600m. Another \$800m will be required to cover the projected trade deficit.

One unknown factor is how much the Soviet Union is willing to help Poland.

Decline in Polish trade, page 22

Banks look  
set for more  
disruption

By David Felton

The results of ballots covering more than 100,000 bank workers on whether the pay dispute should be escalated will be announced before the weekend, and early indications are that there will be further disruption of the banks.

A ballot of 90,000 members of the Clearing Bank Union (CBLU) is almost complete and it is understood that the late returns reflect a mood for rejection of the employers' "final" 10 per cent offer and backing for selective industrial action. The union hopes that any action it takes will have a minimal effect on the public.

The union's annual conference opens in Birmingham today and officials hope to be able to announce the result of the ballot before the conference closes tomorrow evening.

It is thought that the employers' threat to close all branches of the banks if the action is escalated has stiffened the resolve of the members of the union, which is not affiliated to the TUC and is traditionally moderate.

Union officials believe that the Budget and latest retail price index figures will have affected the voting. The union is looking for an increase of around 12 per cent to 13 per cent to keep pace with inflation.

Two other ballots are also due to be declared this week in the Banking Insurance and Finance Union (BIFU) on further industrial action to follow one day stoppages.

Speculation  
over new  
Savoy bidBy Andrew Goodrick-Clarke  
Financial Editor

Speculation that another bidder would emerge for the Savoy Hotel added £5m to the market value of the group's strategically important "A" capital yesterday. The "A" shares rose from 200p to 205p, but Mr. Giles Shepard, the company's managing director, said that no alternative to the disputed £58m offer from Trusthouse Forte had been received.

"I am sure lots of people are interested, but we have had no approaches," he said. On Friday the courts are due to hear a summons taken out against the Savoy by Trusthouse Forte. The Registrar will be asked to decide whether Trusthouse can go ahead with a Scheme of Arrangement bid for the hotel group which would enable it to call separate meetings of the Savoy's "A" and heavy voting "B" shareholders.

Trusthouse, backed by the 35 per cent shareholding of the Kuwait Investment Office in the "A" capital, has identified a weakness in the Savoy's defensive position.

If it can persuade shareholders with 75 per cent of the "A" shares to vote for its terms, it will win 51 per cent of the Savoy's votes and thus gain control of the company.

On the question of a counter-bidder, there are two possibilities. The first is that one of the groups which has tried unsuccessfully before to persuade the Savoy board to agree to a takeover will try again, using the same tactics as Trusthouse.

In that case a bidder such as Sir Maxwell Joseph's Grand Metropolitan, or Trafalgar would wait until the outcome of the court action was known. The alternative is that the Savoy itself, together with Baring's, its merchant bank adviser, is busily trying to find an acceptable merger deal to thwart the ambitions of Trusthouse and others whom the Savoy board has spurned in recent years. In that case, the likelihood is that an overseas company would be involved.

Eurofer 'progress' on  
voluntary steel curbsFrom Peter Norman  
Brussels, March 30

The European Community's leading steelmakers groups have made further progress towards setting up a voluntary system of production restraint to replace the EEC Commission's regime of mandatory controls which expires at the end of June.

But although the members of the Eurofer steelmakers' club were able to agree on a largely positive statement following an all-day meeting in Luxembourg yesterday, the German steel industry has again put pressure on the Government in Bonn to act against low-price imports of subsidised steel from other EEC member states.

The 15 members of Eurofer said they reached agreement on how to cut back production of reversing mill plate and wide flats—products which make up the second group of rolled products covered by the Commission regime.

In the case of hot rolled wide and narrow strip (Group One of the Commission categories), 14 out of the 15 companies were reported to have reached "a great deal of agreement" while "a large convergence of views" on the part of all companies was expected in the case of heavy sections (Group Three).

The absence of any reference in the Eurofer communiqué to Group Four, the light sections which comprise the most concrete reinforcing bars and other merchant bars, suggests that a large amount of work has to be done to reach agreement in this area. Eurofer will meet again in Luxembourg on April 2 to try to complete the voluntary pact.

The reference in the com-

munique to a dissident company fuelled speculation in Brussels today that Klockner-Werke AG is still proving a reluctant partner in the proposed voluntary scheme. In German steel industry circles, however, the issue is complicated by the fact that a voluntary agreement will be reached in the course of this week and Klockner will belong to it.

However, the negotiations over production cuts in Group Four are likely to prove difficult. The issue is complicated by the relatively high proportion of Group Four output accounted for by the small independent steel producers which have so far not been involved in the Eurofer talks.

Despite the apparent progress made in the Eurofer negotiations, 10 chief executives in the West German steel industry today sent a telex to Herr Helmut Schmidt, the Chancellor, urging that the cabinet meeting on Wednesday take action to stem the inflow of cheap subsidised steel into the country.

They said that any voluntary production agreement would have to be accompanied by border levies on imported steel to protect the German industry's financial position.

Moreover, they demanded that Bonn should adopt a policy of promoting investments in the steel industry to "neutralise the massive state aids granted in other countries".

The German steelmakers expressed grave concern about the future safety of jobs in the industry. They said the Bonn Government should act even if current unfair competitive conditions were likely to apply for a short time only.

Slice of luck saves Lloyd's from \$250,000 golf payout  
Risk that's par for the course

A group of Lloyd's underwriters is counting its blessings after an argument over "a few hundred dollars" saved them from having to pay out a \$250,000 "insurance" claim from a United States golf promoter.

The promoter, Mr. Jack Cooney, had wanted to cover himself against any player collecting a \$250,000 "bonus" prize put up to attract extra attention to three early events on the United States professional tour.

However, a late switch of venue to an easier course for one event—and a few days' time-lag between tournaments—was sufficient to cause unease.

The reasoning was that after a few days' rest a winning player might just get over the "winner's jitters," enough "to keep his head down" in the subsequent tournament.

"We asked for a bigger premium, but I think it was only about \$500," Mr. Yates said. The upshot was that the United States brokers involved took the business back from the United Kingdom group, Minter Holdings, who had introduced it at Lloyd's and placed it with American insurers.

Although policies like this one are frowned upon by

Lloyd's traditionalists, who see them as straight bookmaking, a number of syndicates in the market do brisk business covering some of the earlier risks demanded by sports sponsors, particularly in golf.

Mr. Yates said yesterday: "We like this sort of risk because it is short tail (the insurers know the outcome within a short period of time) and because overall it is highly profitable." Certainly more profitable, he believes, than writing more conventional business such as fire risks at a time when competition has pushed rates down to uneconomic levels.

Writing fire business at the moment is like bending down to pick up sixpence and putting your backside through a plate-glass window," he said.

Lloyd's underwriters in contingency business are not always so lucky, however. Last year different syndicates covering another golf sponsor against having to pay out a \$100,000 prize if the tournament stroke record was broken, found themselves having to pay up twice over two players achieved the feat.

Richard Allen

Mail Order

# freemans

Preliminary results for the  
53 weeks ended 31st January, 1981

£000's	53 weeks ended 31 January 1981	52 weeks ended 26 January 1980
Turnover	260,127	231,248
VAT	30,693	22,791
	229,434	208,457
Profit before taxation	10,644	15,521
Profit after taxation	7,817	12,431

- ★ Sales excluding VAT up 10%
- ★ Profits before taxation down 31%
- ★ Proposed final dividend unchanged—2p per share
- ★ Active agents at record 530,000—up 8%
- ★ Current spring/summer catalogue well received
- ★ Order Line, our telephone ordering network, operational nationwide this summer
- ★ Budget makes outcome for 1981 uncertain

Copies of the Annual Report and Accounts, when published, will be available from the Company Secretary (01-735 7644).

Freemans (London SW9) Ltd. 139 Clapham Road London SW9 0HR

## PRICE CHANGES

Isles			
Isle Metal	27p to 310p	Nesco Inv	15p to 190p
Isle Metals	17p to 240p	Pico Metals	6p to 160p
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Isle Metals	17p to 240p	Pico Metals	6p to 160p
Isle Metals	17p to 240p	Pico Metals	6p to 160p
Isle Metals	17p to 240p	Pico Metals	6p to 160p
Isle Metals	17p to 240p	Pico Metals	6p to 160p







# Barclays 1980

## The impact of high interest rates.

*The Annual General Meeting of Barclays Bank Limited will be held in London on April 29th, 1981. The following are extracts from the address to the Stockholders by the Chairman, Sir Anthony Tuke, for the year 1980.*

Our profits of £523.5 million are about the same as in 1979 and can be regarded as satisfactory. In part they reflect the fact that the clearing bank has enjoyed the benefit of high interest rates in this country though some of this benefit has been eroded by increased costs. These must concern us when rates come down, as they almost certainly will during the next few months. In addition, our customers have, not surprisingly, been quick to realise the advantage of placing funds on interest bearing deposit rather than leaving them on current account.

We have during the last few months been subject to a degree of criticism, mainly in the political field, for what are called large windfall profits. This is not entirely surprising since throughout history lenders of money have never been all that popular. In the past, however, when a country has suffered a major recession its bankers have suffered also but this recession is different, with high interest rates ensuring that the tribulations of industry are not shared by the banks. Indeed it would not be altogether unreasonable for our borrowing customers to go further and observe that some of their profits are being absorbed by high interest rates which find their way into the profit and loss account of the banks; but these high rates are not of our making as they are part of the Government's policy and I am sure our stockholders expect the Board and management of the bank to run their affairs competently and prudently, whatever the state of the financial wicket.

A recession with high rates for any length of time invariably brings with it a sharp increase in our provisions and stockholders will see that we have had to set aside £102.9 million this year for specific provisions, plus a further £31.6 million for what we call general provisions against lendings already in our portfolio but not yet identified as doubtful. These increased bad debts are one important factor which must be set off against the benefit the clearing bank receives from high rates. Even more important is the effect these high rates have on other parts of our Group. They are a disadvantage to Mercantile Credit Company, our consumer finance arm, and they are a disadvantage to Barclaycard, both of which raise almost all their funds in the market. Apart from that, Barclays Bank International gets very little benefit from high rates in this country and obviously suffers from a strong pound which some people consider is a corollary of high rates. So looked at from the point of view of the Group as a whole and bearing in mind the substantial contribution these divisions make, it is particularly encouraging that there is a strong underlying level of profitability on which we can rely when interest rates fall to more acceptable levels.

Bankers have an additional responsibility in today's conditions and that is to do everything possible to see their customers through the present rough water, in some cases going beyond the bounds of normal banking judgment. This we are certainly doing in a number of areas and we hope thus not only to preserve the jobs of men and women who might otherwise be unemployed but also to preserve worthwhile businesses for the future.

### International

On the international side, we have had a good year, especially when one looks at the strength of sterling against the other main currencies in which we trade. The satisfactory profits of the clearing bank have enabled us to capitalise and strengthen BBI's policy of expansion and diversification in the more stable growth areas of the world. This not only broadens the foundations of the Barclays Group but will provide important sources of foreign earnings for the country when the flow of North Sea oil is reduced.

In the United States we have in the past two years invested about \$400 million. In 1980 Barclays-American Corporation took over 138 offices of Beneficial Corporation and in December completed the purchase of the finance company subsidiary of the very important Aetna Life and Casualty Company. This means that Barclays-American Corporation now has 484 branches in no less than 36 states with balance sheet footings of more than \$2 billion and is thus becoming a real force in the market. We also acquired 31 branches of Bankers Trust in Long Island for Barclays Bank of New York and have recently opened offices of BBI in Miami and Seattle, in addition to those we already have in eight other cities. In the Far East we have acquired the minority holding in Trident International which will enable the company, under its new name Barclays Asia Limited, to provide its merchant banking services in support of the Group throughout the region.

A significant worry facing international banks today is what is called country risk. This is partly political but the greater risk is because a number of less developed countries, which are already suffering from the recession affecting the developed countries' ability to buy their products, might, however hard they try, be unable to pay the ever increasing cost of their oil imports. These less developed countries could, as a result, find difficulty in servicing existing loans. Our responsibility to stockholders forces us to take a realistic view as to how much of the Bank's capital and reserves should be at risk to this or that country. This is a problem to which we are constantly alive and in order to improve our ability to monitor the level of risks which we adopt in different countries and also in different industries, we have recently revised the structure of our international lending lines and gathered them together in a Central Advances Department in London. We are confident that this enables us to combine prudence with a continued ability to seek out and grasp attractive opportunities for business around the world.

### World recession

The Brandt Commission report points clearly to the disastrous results of what has been called "oil-fired stagflation" throughout the world. It is a strange and regrettable fact that whereas the comparable standard of living of the 20 richest countries of the world narrowed considerably during the last 25 years, the gap between us and the 30 or 40 poorest countries continues to widen, aggravated by the ever increasing price of oil. It would need a super-optimist to forecast that the price of oil and other energy will somehow come down. This is a fundamental change since the middle seventies and is almost certainly irreversible but surely the increasing gap between what is now called North and South is reversible; it is clearly in the interests of the North to see that it is, as we are traders and badly need to see an increase in world trade at a time of recession and high unemployment.

It will not be easy for the international banks to shoulder any more of the burden of recycling funds to the countries which need them most; there have recently been suggestions that the IMF and the World Bank might raise money from the market and then decide how to onlend it. They inevitably have more muscle than we have and also better access to details of the borrower's position. This would be a positive step forward and we in the private sector must recognise that there is a clear mutuality of interest between Governments, supra-national bodies and ourselves, in both the economically advanced and the less advanced countries in grappling with these critical issues.

Our Merchant Bank has had another satisfactory year. Its pre-tax profits, although marginally up on 1979, do not demonstrate the progress that has been made in the last two years. When it was established a number of years ago, we consciously took the decision to ensure it was closely identified with the rest of the Group. We did this in order to emphasise our intention to provide all the various financial services which might be required by our customers. Over the past two years we have continued to widen the range of its services by increasing the number and quality of specialists thereby improving the flow of profitable business to other parts of the Group. We have also strengthened the links between our merchant bank in London and our merchant banks operating abroad in South Africa, Australia, Hong Kong and elsewhere.

Of particular interest, given the concern shared in all quarters about the strength of the small and medium sized companies sector, is the growth of Barclays Development Capital Limited, which we set up specifically to provide new or replacement equity capital for private companies. Working closely with the

clearing bank's local head office structure, this company is ready to assist with equity participation of £100,000 or more by way of replacement capital, or as part of a management buyout. Indeed, it is encouraging that by 31st December 1980 Barclays Development Capital Limited had invested £2.79 million by way of equity finance in the UK and that at the time of writing it has offered or invested a further £1.4 million.

The Trust Company continues to provide a most important service, both to the clearing bank and to BBI. Traditionally it was confined, as its name suggests, to the administration of trusts and estates and the provision of advice on personal income tax, but in recent years there has been considerable expansion in the corporate business sector, notably in pension fund and property management. Our Unicorn trusts have done well this year and it is very satisfactory to see an increased contribution from the Trust Company in 1980.

### Social responsibility

Our stockholders will see in the Report and Accounts that in 1980 we made donations of £1,129,218 in this country. If one adds what our subsidiaries gave in various parts of the world, plus a proportion, at least, of our sponsorship budget, some of which almost amounts to patronage, we reach an overall figure of £2,474,957. A further important contribution within the Group is the BBI Development Fund which, since its foundation in 1970, has provided support totalling £2,089,659 almost entirely in the poorer countries in the world. Above all however, we must bear in mind that these funds do belong to our stockholders but we know well that they support us, particularly at a time of good profits, in returning to the community a proportion of those profits.

As part of our policy, we allocate a substantial sum each year to what we call Social Responsibility. In these cases we actively seek causes worthy of support rather than wait until we are approached; as one would expect we are not short of approaches and last year we received more than 4,000 appeals. During the last few months, the Arts have figured prominently and clearly we should not neglect them, even though any support we can give is relatively insignificant in relation to the Arts Council's budget of £80 million. Stockholders may however like to know that during 1980 we supported the Royal Opera House Covent Garden, Sadler's Wells Royal Ballet, the Royal Shakespeare Company, the Mermaid Theatre and perhaps most important of all since the very survival of the Company now depends on private patronage, the D'Oyly Carte performances of the Gilbert and Sullivan operas. We are also sponsoring a new production at the English National Opera in 1981.

It is perhaps permissible for someone writing his last report to stockholders to look back, albeit briefly, over the last thirty five years and at the same time indulge in the luxury of peering into the eighties. Based on my experience during the 1950's and 1960's in the front line of money lending, I believe that lack of flexibility was our main weakness. We were all taught that the greatest sin of all was borrowing short and lending long, and certainly the experience of some lesser banks in the middle 1970's seemed to underline that particular sin. At the risk of being a heretic, however, I believe we were too wedded to the traditional adage of what was and what was not "a banking proposition". Banking propositions now cover a much wider spectrum and a number of new ideas have emerged during the last few years, but perhaps we should have grasped the medium term nettle twenty five years ago. This would have provided a valuable facility, not least to enable the smaller businesses to have easier access to money for modernisation and re-equipment. We failed to appreciate the paradoxical fact that our most stable and long term deposits are our current accounts - technically repayable on demand. If we were slow to provide a flexible package we must also record the fact that we had a ready ally in the Government of the day, whichever party was in power, since seldom during the last 35 years have we been free of some sort of restriction on our lendings, whether qualitative, quantitative or both.

### Prospects

What then does the future hold in store for the clearing bankers? I believe we must be prepared to think of ourselves as universal providers of finance, at least in this country. With an extensive and expensive network of branches, we must make sure that we are able to offer every form of finance for all our citizens and this will certainly include a mortgage. Even more important than the provision of finance, is the ability to compete effectively for savings and we must make sure that we find means of marketing new schemes as they arise. One of our customers told me the other day that he felt the clearing banks were not sufficiently distinguishable from each other and one must admit that we often read in the papers that the "high street banks" have done this or that, as if we were all of the same mould; expressions like "shades of grey" come to mind. This is not entirely fair but in the eighties we will have to face a challenge to create for ourselves a special ethos so that new ideas, both in the savings and the lending field and covering our private and corporate customers, will come to be linked with one particular bank. Perhaps the only major original package that has emerged in the last fifteen years has been the birth of Barclaycard in 1966. It was not a particularly easy delivery but has now grown into a sturdy teenager and it is rather satisfactory to see that Chambers Dictionary now includes Barclaycard as an accepted noun in our language.

Any bank, particularly one as widely spread as we are, might claim to have the most up-to-date computer equipment and premises as good as any in the world, but it will not face up to and match its competitors unless the men and women in the organisation are competent, loyal and hard working. Stockholders are, I am sure, aware that the key element in the success of our Bank is the ability of our staff in more than 75 countries to accept the inevitable day-to-day aggravations and look after our customers cheerfully and efficiently.

I hope we can claim that the Barclays' torch is burning brightly in 1981 and I am delighted that our Board has asked Timothy Bevan to take it up after the Annual General Meeting in April. We have worked closely together during the last twelve years and, like many of us, he has spent all his working life in Barclays. Stockholders will, I know, be particularly pleased that he will lead and serve the Bank in the years to come.

Anthony Tuke

Sir Anthony Tuke, Chairman of Barclays Bank Limited.

The Barclays Bank Report and Accounts gives a comprehensive review of the Group's activities in the UK and around the world. To obtain a copy, just send this coupon to the address below.



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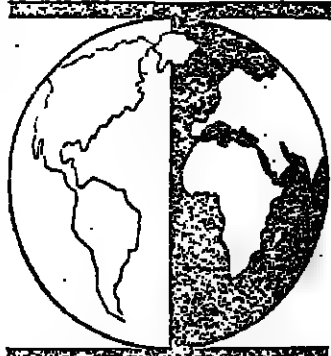
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Barclays Bank Limited,  
54 Lombard Street,  
London EC3P 3AH.



BARCLAYS

REGISTERED OFFICE: 54 LOMBARD STREET, LONDON EC3P 3AH. REG. NO. 48339.





## Threat to Japanese jobs by car export cuts

As Japan and America try to agree on a voluntary restraint figure of car imports into the United States, 1,319 million units in 1980—Sumitomo Bank in Tokyo said that a 10 per cent drop in Japan's car exports to America would lead to the loss of 4,700 jobs.

The bank released the results of its study on the impact of a decline in car exports to America as the two countries attempt to defuse the tension generated by Japan's increasing shipments.

Sumitomo economists said that, if Japan's car exports to the United States fell 10 per cent from 1980, the bank estimated that 47,000 and the country's real gross national product would go down 0.14 per cent.

If car exports declined 15 per cent from 1980, the bank economists predicted, that 70,000 Japanese would lose jobs and the real g.n.p. would decline 0.21 per cent.

### Desert pipeline

Work has begun on the eastern half of the Saline Water Conversion Corporation's 466-kilometre water pipeline from Jubail to Riyadh in Saudi Arabia. Nacop, the Dutch contractor said that 35 per cent of the pipeline had been prepared and that welding was expected to begin sometime next week.

### Investment in Spain

The Spanish Government has approved measures to reduce the number of departments a foreign investor will have to go through to invest in Spain.

### Amazon venture

Japan's National Oil Corporation (NOC) said it plans to send a survey mission to Brazil in April or May for feasibility studies on joint oil development with Petrobras in the upper Amazon area and an offshore area.

### Car registrations

The foreign market share of new passenger car registrations in West Germany during the first two months of 1981 rose to 29 per cent from 24 per cent in the year earlier period, according to West Germany's Federal Motor Vehicle Registry.

Political and economic problems cut imports from UK by half

## Concern over fall in Polish trade

Trade with Poland, Britain's second largest market in Eastern Europe after the Soviet Union, is already showing sharp declines this year in the wake of the Poles' political and economic troubles.

Provisional figures for the first two months of this year compared with last show a 42 per cent decline in British exports to Poland, and Polish imports into Britain were down 47 per cent.

The declines were described yesterday as "very worrying" by the East European Trade Council whose executive secretary, Mr Anthony Hore, believes it could take some years for trade to recover.

Mr Hore said: "All of us hope that companies who have invested time and money developing the Polish market will not pull out, because in the final analysis this is a big country with a lot of natural wealth, like coal and other resources."

Although British exports to Poland were up more than 13 per cent last year compared with 1979, declines in several sectors were beginning to show up in 1980. Various forms of machinery were down as much as 60 per cent, although the total machinery and transport equipment sector was up rather more than 22 per cent.

Part of that increase was affected by the continued deliveries under the controversial £115m shipbuilding deal in which British yards were constructing 24 vessels for the Poles. Possibly a quarter of the value of the machinery and transport equipment sector was accounted for by ship deliveries.

The other big jump in United Kingdom exports to Poland was of unimilled barley, by more than 90 per cent over the 1979 totals. The Poles, hit by two bad harvests, needed increased supplies of cereals, and a number of special financing deals have been made to allow them to import more.

The level of Polish imports from Britain—worldwide, Poland ranks twenty-eighth

in value as a market for British goods—also depends on the subsidies Poles getting continued financial help. Britain's Export Credits Guarantee Department has more than £160m committed to lines of credit to Poland, and for the first quarter of this year allowed a £16m refinancing to help relieve the Polish authorities of some of their payment obligations on earlier credit.

Talks are in progress on longer-term arrangements for the underpinning of Polish trade. Subject to these, ECGD cover for short-term commercial contracts is expected to continue on its present basis.

Polish exports to Britain in the first two months of this year appear to have been affected across the board. Last year Polish exports were down just over 15 per cent, with some areas such as non-ferrous metals declining by 60 per cent. Coal, one of the country's most productive exports, was down 31 per cent after a fall in coal production in Poland. There have been reports that worldwide Polish coal exports are down about 28 per cent in recent months.

But some materials supplies have been kept up, notably fertilizers, minerals, hides, iron and steel. But among manufactured goods, vehicles plunged 32 per cent, although footwear rose 16 per cent.

Although the burden of Polish international debt underlines its need for exports, the fate of the £200m Mosley-Ferguson and Perkins engines licensing deal for tractors and engines has demonstrated the difficulties of generating such exports. Imported components have put such a strain on the country's need for hard currency that production in Poland of tractors and engines is well under target and none has yet been exported to earn currency.

Derek Harris

### ANGLO-POLISH TRADE (£m)

	1979	1980	change
Polish exports to UK			
Meat	17.7	17.6	-0.6
Hides and skins	18.5	21.5	+18.2
Cork and wood	25.4	22.9	-9.8
Crude fertilizers and minerals	13.4	16.7	+24.6
Coal	19.3	13.3	-31.1
Iron and steel	9.3	11.7	+25.8
Road vehicles	15.0	10.2	-32.0
Footwear	11.2	13.0	+16.1
Non-ferrous metals	11.1	4.4	-80.4
All other goods	88.4	63.2	-28.5
Total	229.3	194.5	-15.2
Polish imports from UK			
Cereals (unmilled barley)	32.1	61.8	+92.5
Machinery and transport equipment	99.7	122.0	+22.4
including:			
specialized mach	(14.6)	(13.9)	-4.8
metalworking mach	(20.2)	(7.7)	-61.9
general ind mach	(30.0)	(23.2)	-22.7
electrical mach	(8.1)	(5.0)	-38.3
Artificial resins and plastics	7.6	12.1	+59.2
All other goods	121.2	100.4	-17.1
Total	260.6	296.3	+13.7

Source: Department of Trade

## £550m Hongkong power plant order for GEC confirmed

By Kenneth Owen

Britain's largest power plant export order, for a £550m, 2,640 megawatt coal-fired power station for Hongkong, was confirmed yesterday in a joint announcement by Mr Kenneth Baker, Minister of State for Industry, and Mr Cecil Parkinson, Minister for Trade.

The ministers said that agreement on the sale had been reached, between China Light & Power Company with Eastern Energy (an Exxon company) and GEC Turbine Generators of Rugby. Formal contracts are expected to be signed by August 1.

The contract is for the design and supply of a second power station on the Castle Peak site in the New Territories of Hongkong. The British delegation in the negotiations was led by Mr Gordon Manzie, Deputy Secretary in the Department of Industry.

GEC will act as main contractor and will supply the turbine generators, with Babcock Power as principal subcontractor and supplier of the boilers. Management services will be provided by British Electricity

International, the overseas consultancy of the United Kingdom electricity supply industry. Civil design consultancy services will be provided by L. G. Mouchel and Partners.

A financial package which is described as the largest project financing to be arranged in the City of London is being arranged by J. Henry Schroder Wagg and Company with the support of the Export Credits Guarantee Department.

The total package will amount to about \$1,800m (over £800m), made up of export credits of \$1,500m and a commercial loan of \$300m.

The deal was a good example of a partnership between Government, industry and the City, Mr Baker said. Mr Parkinson added: "The close co-operation between the Department of Trade and the Department of Industry made possible by the new Projects and Export Policy Division we set up last year has worked really well."

About 34,000 man-years of work will be created directly by the power station contract, plus perhaps the same amount again in indirectly associated work. It should support employment over about seven years at GEC factories in Rugby, Trafford Park, in Manchester, Staf-

ford, Liverpool, and Larne in Northern Ireland; at the main Babcock Power factory at Renfrew, Glasgow and in many subcontractors throughout the United Kingdom.

The station will be one of the largest in Asia and will be built next to one already under construction (also by GEC) at Castle Peak.

The contract did not go out to international tender, so the parties concerned had to assure themselves that the final price of the negotiated contract would be internationally competitive. The Department of Industry employed consultants for this purpose and the clients employed Electrowatt Engineering Services of Switzerland and Gilbert Associates of the United States.

GEC described the contract as the biggest single export order ever placed for manufacture in the United Kingdom. It is nominally valued at £550m, but could exceed £600m "with variations".

The station, known as Castle Point B, will have four 660 megawatt turbine generators. The first station on the site, Castle Point A, has four 350 megawatt turbine generators and four 60 megawatt gas turbines.

## New energy offensive by steelmakers

By Patricia Tisdall

Steel producers are to launch a new offensive to try to get electricity prices more into line with those paid by their continental competitors. They complain that new pricing arrangements which take effect from tomorrow will have only a negligible effect on price discrepancies.

The British Independent Steel Producers Association and the British Steel Corporation are pressing the Electricity Council to restructure its bulk supply tariff arrangements. According to Bisp, the April tariff will still leave the prices paid for electricity by British producers between 20 and 40 per cent higher than some of their rivals.

The new, flexible, supply scheme which is intended to help bulk users will, according to Bisp calculations, lop only about 3 per cent off some members' electricity bills. As a result, they will pay an increase of about 13 per cent instead of the 15 per cent under the new prices from April 1.

While welcoming any reduction in the industry's bill, which amounted to about £130m in 1980, Mr Ian Blakey director of Bisp, describes it as a "totally inadequate" response to proposals made jointly with the BSC before the Budget.

Comparisons between equivalent steel plants in Britain and Southern Germany show that under the new prices the British producer will still be paying over a third more for electricity than his German rival.

## LETTERS TO THE EDITOR

### Best of both worlds

From Mr John Field  
Sir, In his article about Sir Keith's struggle with the engineering institutions, Derek Harris states that "... the institutions want to keep what they call self regulation and what others more aptly have described as the privileges of an exclusive club."

However regulated, there must always be exclusivity in a profession since only those who have reached an appropriate level of skill and who maintain high standards can be considered as qualified to practise it. In no other way can the institutions be considered as exclusive.

The Institution of Civil Engineers, for example, has some 60,000 members of many races and creeds and coming from very diverse social and economic backgrounds. We are also a long way from the elitism of, say, the French system where a graduate of the Ecole des Mines or the Ecole des Ponts et Chaussées would expect, almost of right, to reach a high position in the management of industry.

Perhaps, in fact, it is the absence of a select number of highly trained engineers who become top managers that has put British industry at such a disadvantage during the past two decades.

I do not, however, believe that the solution lies in setting up a body nominated by the government executive to regulate the profession and to accredit its members. Such a body would surely concentrate on the narrow view that engineers are to be trained to meet the immediately foreseeable needs of industry rather than to be educated to serve the community and to provide the much needed larger view in industry.

If the institutions are to remain only as learned societies, and I do not accept it as proven that this should be so, then we must do well to take a look at how things are done in the rest of Europe and take the best of both worlds. Full engineering qualifications would be accredited by universities and this having the much needed additional advantage of bringing universities and industry closer together.

By contrast to some other countries, the training period would include some practical experience in industry, perhaps as an extension of the present sandwich course system. Unlike the present arrangements, however, by cooperation between universities and government, together with suitable industrial training should be assured for a student before he begins his studies.

I have practised as a civil engineer on the Continent of Europe as well as in the United Kingdom and I recently had occasion to recruit graduates in this country. Any one vacancy for post-graduate training might attract well over 100 applicants and I am sure that many of those will never be able to complete the training they have started for lack of opportunities. It is this problem, not any club atmosphere in the institutions, which might make the profession look exclusive to some.

If Sir Keith would like an essay escape from his difficulties with the institutions he might with advantage pass the buck to the Secretary of State, Department of Education and Science.  
JOHN B. FIELD,  
2 Wool Road,  
Wimbledon SW20.

### Importance of business names registry

From Mr Keith Havelock  
Sir, The members of the Institute thoroughly support the views of the Director of the Consumer Council on the subject of the Business Names Registry (Letters, March 26). We congratulate Lord Lloyd of Kilgerran and the other members of the House of Lords on all parties who, with the active support of many organizations including this one, have shown the Government how deep its feeling on this issue runs.

There remains, however, the equally important matter of the Government's intention to rob the Registrar of Companies of power to refuse to register new companies with names confusingly similar to the already registered and in use. The present Bill proposes that only names identical to those already recorded should be refused registration.

We indeed trust that the Government will be moved to accept amendments so necessary on both these issues. Yours sincerely,  
KEITH HAVELOCK,  
President,  
The Institute of Trade Mark Agents,  
69 Cannon Street,  
London EC4N 3AB  
March 26.

### In praise of job centres

From Mr C. Bryant

Sir, The Job Centres of Lee and Sheffield responded most efficiently to my challenge last week.

Having committed myself to an interview in Leeds followed by a review of applications on Wednesday morning I received an inadequate response for suitably qualified representatives.

Telephone calls to the centres the same morning resulted in them providing me with applicants throughout the following day. My short list of three comprised two of the candidates and subsequent one of them accepted our offer.

Had I not had their assistance I would have conducted a costly and unsuccessful recruitment operation.

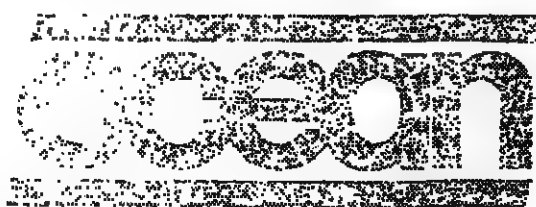
Other managers are probably as guilty as I have been in using Job Centre facilities regularly or even as a last resort. As I have learnt worthwhile lessons maybe other managers can benefit from my experience.

Yours faithfully,  
C. BRYANT,  
Marketing Manager,  
Nalipak Limited,  
23 St Aubyn Road,  
London SE19 3AA.  
March 24.

## '1980 was a year of very sharp improvement'

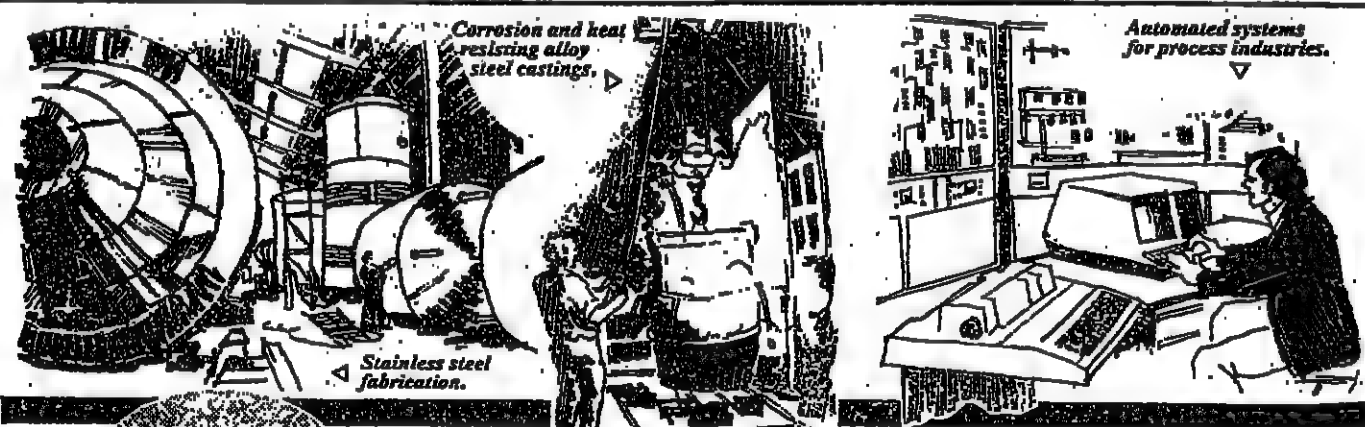
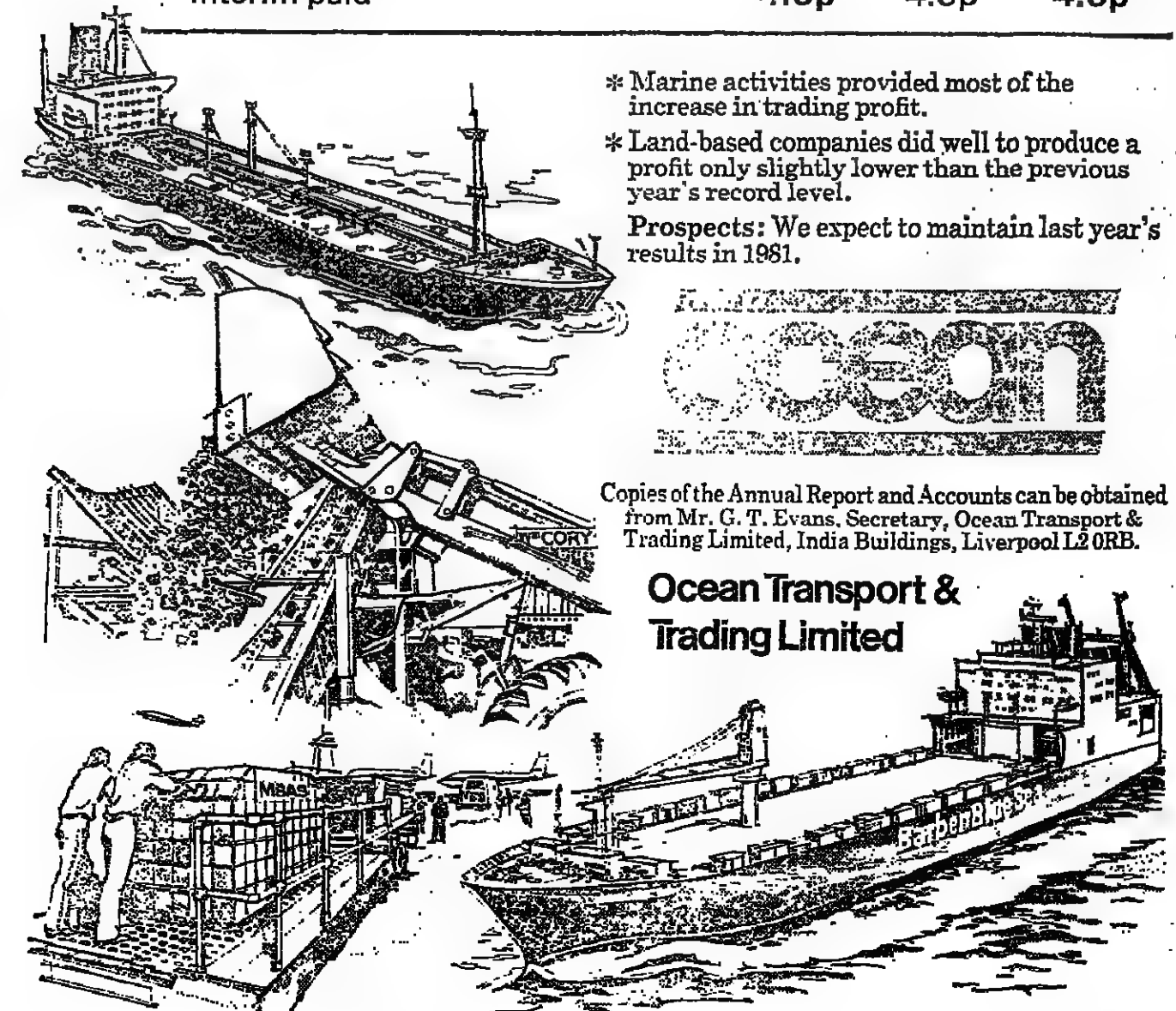
	Historical	Current Cost
	1980	1979
	£m	£m
Turnover	595	534
Profit before tax	36	20
Profit attributable to stockholders	26	15
Final dividend (proposed)	4.7p	4.6p
Interim paid	4.3p	4.3p

- \* Marine activities provided most of the increase in trading profit.
  - \* Land-based companies did well to produce a profit only slightly lower than the previous year's record level.
- Prospects: We expect to maintain last year's results in 1981.



Copies of the Annual Report and Accounts can be obtained from Mr. G. T. Evans, Secretary, Ocean Transport & Trading Limited, India Buildings, Liverpool L2 0RB.

### Ocean Transport & Trading Limited



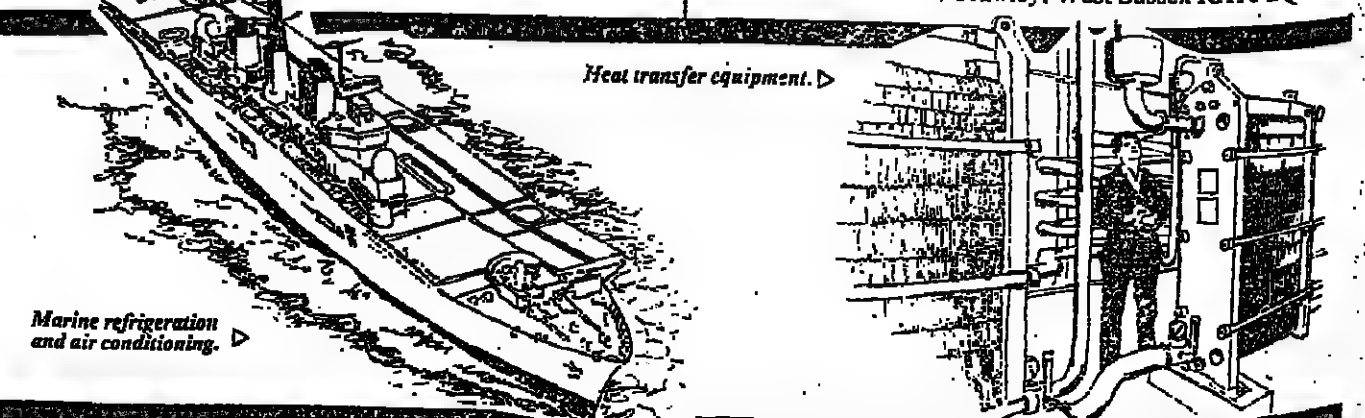
## Dividend increased and covered by CCA profits

- Improved profits of £1.6m by overseas companies offset by lower U.K. profits.
- Net borrowings contained - debt/equity ratio reduced from 29% to 26%.
- Order intake up by 14% with good prospects overseas.

Salient Figures	1980	1979
	£000	£000
Sales	282,000	262,000
Profit before tax	18,560	19,025
Earnings per share	40.49p	42.34p
Ordinary dividends	9.0p	8.4p

The APV Group operate as process engineers, plant manufacturers, fabricators and steelfounders to the dairy, food, brewery, chemical, petroleum and marine industries throughout the world.

The A.G.M. will be held on 19th May at the Institute of Directors, 116 Pall Mall, London SW1. Copies of the Report and Accounts will be available after 23rd April 1981 from the Secretary, APV Holdings Limited, P.O. Box 4, Crawley, West Sussex RH10 2QB.





BY THE FINANCIAL EDITOR

## Ocean Transport in calmer waters

Ocean Transport & Trading's profits are ahead by four-fifths to £35.5m, a dramatic recovery after a three-year shipping slump which decimated British fleets.

Calmer conditions prevailing outside the tanker market have helped an improvement in Nigerian trades and in the Barber Blue Sea consortium on the back of a sharp increase in United States exports to the Middle East have been important factors. The question now is just how much recovery is left in Ocean given that the present recession in manufacturing has yet to really catch up with dry bulk and liner operators. The omens are not particularly good. OCL, the container consortium owned by British shippers and which accounted for some £16m of Ocean's associate profits may see lower profits this year although the fleet has been significantly expanded by last year's acquisition of P & O's Gulf trades.

Meanwhile, competition is increasing dramatically in containers while smaller operators are moving back into the West



Sir Lindsay Alexander, chairman of Ocean Transport and Trading.

African routes lured by the seeming return to normality in Nigeria.

Ocean, however, with a heavy spending phase behind it should start to see important benefits as its balance sheet begins to unwind so long as cash flow can be maintained this year.

Borrowings fell £9m to £198m, last year—interest charges rose 16 per cent to £19.4m—despite capital spending of £34m. A third of this was due to Ocean paying for a share of Furness Withy's OCL stake after the C. Y. Yang takeover. Investment this year could drop below £20m.

The group also has some protection on the assets front with most of its dry bulk carriers locked into profitable medium-term charters for the next couple of years.

Meanwhile a fractional increase in the dividend was seen by the market as signalling boardroom doubts, and the shares having a good run over the last year eased back up to 146p, where the yield is 8.8 per cent. The dividend payment—two-and-a-half times covered on stated earnings and more than twice covered on a CCA basis. Not too much should be read into this however as Ocean's depreciation adjustment under CCA based on present new building costs in United States dollars has been sharply affected by the strength of sterling.

### Freemans' patience should be rewarded

There was no way that Freemans, the largest independent agency mail order house with over a tenth of the market was going to do well last year. And there is little likelihood of it doing much better this year. The shares rose 6p to 132p after touching 136p yesterday (and climbing 8p last week) because the group did better than expected at the time of a dismal interim dividend last October, and because it has so far laid the basis for a rapid advance in profits once business picks up.

Pre-tax profits plunged from £15.22m to £0.64m but only £9.5m seemed likely last October. In the first six months they fell from £7.8m to £5.08m. Christmas was not bad as feared and the group seems to have fared nearly twice as well as mail order general. Even so margins narrowed. The sales bill was more than 17 per cent up for the group—a major victim of the postal and railway systems—is a classic victim of public sector price inflation.

It also boldly recruited 8 per cent more staff, bringing the number up to 530,000, expensive process. Moreover, it has lent £1.5m on Order Line, its new telephone ordering network which should be

ready by summer. This facility, giving instant reservation of goods and prompt delivery is claimed to be ahead of competitors.

Nor has this expansion meant financial strain. Interest payable jumped from £707,000 to £2.06m but total net borrowings at the year end were only £15m against nearly £68m of capital and reserves.

Freemans, seems, then to be prepared for a surge in business, but this looks more likely in 1982, thanks to the Budget. The spring-summer catalogue was well received but prices are only 7 per cent up with many costs still 17 per cent ahead. The group is orientated to fashion more than competitors and this business too should pick up sharply. However, the Royal Wedding came too late to help the latest catalogue. The shares should repay patient

There were no surprises in first-day dealings in the Government's first index-linked stock, Treasury 2 per cent 1996. After holding at par for most of the day—the stock is £35 paid—the price drifted off ½ in late dealings. That seems reasonable on a day when conventional "mediums" and "longs" finished with falls of up to 11. Trade in the new stock was light and the impression was that the majority of investors who were keen to get their hands on some of the stock got all they wanted in Friday's tender, probably a little more.

Meanwhile, the rest of the market was looking drab. The sell-off of the index-linked stock has made a hole in pension fund liquidity for the moment. In addition, there is a further £1,000m short-dated stock going on sale tomorrow. This stock may be only £15 paid initially, but even so it is hard to see the market making much headway for the moment given the overall weight of funding and the present halt in the fall in dollar interest rates.

In short, we probably have a temporary block on any further fall in near-term yields just now and insufficient confidence as yet to justify any further flattening of the yield curve.

ready by summer. This facility, giving instant reservation of goods and prompt delivery is claimed to be ahead of competitors.

Nor has this expansion meant financial strain. Interest payable jumped from £707,000 to £2.06m but total net borrowings at the year end were only £15m against nearly £68m of capital and reserves.

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### Charterhouse A period of readjustment

With any luck, Charterhouse's identity problem, which has undermined the rating of the shares in recent years, is now a thing of the past. The Keynes, Villmann acquisition, provided the difficulties with Throgmorton Trust do not scupper the whole deal, will decisively tilt the balance of the group away from an amorphous industrial holding company into a merchant banking concern with useful oil interests.

After such a strong first half, full-year results were a little disappointing with pre-tax profits, restated to take account of five months of Keynes, a third higher at £16.1m. The main casualty has been manufacturing. The recession in the engineering and construction industries reduced the trading profits between the two halves from £3.9m to only £350,000 against £5.7m for the previous year. Spring Grove's flotation and a small downturn in NapColour also cut the contribution from services by £2m to £5m.

But this was more than compensated by banking and oil. Thanks to a £1.9m contribution from Keynes, disclosed banking profits jumped from £1.8m to £4.2m although bullion dealing did not match the first half. And with rising Thistle production oil profits soared from £3.4m to £7.6m, although with no other developments to offset profits the tax charge on oil is some two thirds higher but at least the Keynes tax losses have reduced the tax on banking profits to only £300,000.

The key, however, to Charterhouse now which has held back the successful parts of the group in the past. Extraordinary profits from the flotation of Charterhouse Petroleum and the sale of Glanville Enthoven have boosted retentions by two-thirds to £10.8m, but the Keynes deal is much the most important boosting the capital base by a half to £150m, and gearing has halved to 40 per cent.

It is going to take another year before the banking side can exploit this new lending potential but all the signs are that it is going to take a more aggressive line on its investment strategy.

Down 2p to 83p yesterday, the shares, selling on about nine times' earnings, yielding almost 8 per cent and with an asset-banking taking the market value of quoted investment-backed industrial holding image rather than the banking and oil potential of the future.

David Blake

## Sounds of dissent from the professors

Yesterday's statement from 364 of Britain's leading economists attacking the Government's economic policies ought to be the start of an exciting debate about the alternatives open to us in running our economy, not a sad postscript to the monetarist era.

The real importance of the statement is not that all those professors and chief economists advisers have put on record their belief that monetarism leads to problems. We knew that already.

The important claim which they make is that there are alternative policies. It is in the search for the best of these that the authors of the statement ought now to be concentrating their attention.

No one can claim that conventional methods of demand management produced a world in which everything was sweetness and light. Throughout the second half of the sixties and all of the seventies, inflation and unemployment both moved on an inexorable upward curve. In the world of fixed exchange rates, expansion of domestic demand led to recurrent balance of payments crises. In a system of floating rates, we experienced precipitous declines in the value of the pound.

These were the problems which led to people casting about for a new theory of economics which would break out of this cycle of decline. The advocates of an alternative will have to face up to them if they are to be credible.

Inflation poses the most obvious problem. There can be no doubt that the policies of the past year and the recession they have caused have been the major factor in driving down wages and prices.

Some critics of the Government would be willing to accept inflation at a higher level for a considerable period of time as the price for higher output and lower unemployment. Others think that an inflationary policy could get the inflation rate down without forcing the economy into a severe depression.

What critics of the present policy have to face is that they either have to accept about accepting continued inflation or they have to come up with a credible incomes policy of the sort which we have never seen before.

Even the obvious (and probably sensible) compromise of having incomes policies which keep breaking down does not avoid this choice. It just means we get both sets of problems.

But in being honest about this problem, the Government's major fault will probably have to guard against the trading claim that there is never any choice between inflation and output.

This is the false premise which the Prime Minister cannot afford to entertain when she seeks to show that the Government's policies are not simply curtailing inflation; they are also the only way to cut unemployment.

It is symptomatic of the muddled thinking into which this theory has led that the whole of this theory relies on the notion that there is some "natural" rate of unemployment with which governments cannot tamper. Yet in Parliament last week, Mrs Thatcher said that she had been told by the Government's economists that the "natural" rate of unemployment was 6 per cent.

The truth is that there are choices to be made over any reasonable time span between higher inflation and less output and lower inflation. What the economists can do is to spell out the rest of us how these trade-offs work.

When it was in opposition, the Conservative Party flirted with the idea of a "natural" economic forum in which policy issues could be discussed. If the statement calling for a change of policy is serious there will have to be such a forum. But it will have to be organized by people other than the Government.

David Blake

Frank Vogl on the world monetary system under strain

## The IMF walks a tightrope

Washington  
Saudi Arabia has just agreed to lend the International Monetary Fund about 4,000m Special Drawing Rights (nearly \$5,000m) a year for the next two years. This cash is vital to the IMF's task of trying to assist nations with rising foreign debt difficulties in a manner which secures greater international economic stability.

To meet requests for funds from its members the IMF considers it necessary to augment its lendable resources this year by drawing 6,000m and 7,000m SDRs. Next year it may have to raise a greater volume of cash. The Saudi Arabian commitment considerably eases the fund's short-term cash needs.

From a technical viewpoint the IMF should have no difficulty in securing the extra resources which it needs. It could go to the markets tomorrow and borrow large sums with ease. It could use its large gold stocks to ensure that it obtains large cash injections. But the problem is that the IMF will be able to borrow all it needs directly from Saudi Arabia and a handful of other wealthy nations. So it is probable that it will go directly to the market for the rest.

The fund faces its task at a time of international currency instability and after more than a decade of major changes in global monetary arrangements. The dollar no longer reigns supreme in central bank reserves; instead, a multi-currency reserves system has evolved. There has been a large growth of reserves and central banks have become important currency market traders.

These developments have helped to weaken the structure of international finance. Nations have been able to build up large debt burdens and now these nations are facing bankers who are less and less willing to provide the finance to service existing debts, let alone provide still more money.

There are sound reasons to fear that still more reserves will be created as the global money supply continues upon an inflation generating expansionary path and that central bankers will become still more ardent currency hedgers and speculators. As they diversify their reserves still more, so the volatility and instability of exchange rates will increase.

For the IMF simply to go to the markets and borrow large sums and then lend them out on modest terms would further encourage all the trends which have been destabilizing the monetary system. The more cash the fund borrows in the markets, the more it is reduced to the role of being simply a broker between the banks and debtor nations and the more it is likely to add to instability. The fund is acutely aware of this. Indeed this is the key reason why it worked so hard to secure a commitment from Saudi Arabia and why it was even willing to double that country's voting power in the fund to around 35 per cent to get the loan.

It seems unlikely that the IMF will be able to borrow all it needs directly from Saudi Arabia and a handful of other wealthy nations. So it is probable that it will go directly to the market for the rest. The fund faces its task at a time of international currency instability and after more than a decade of major changes in global monetary arrangements.

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The ideal course, if the IMF is to avoid frequent and in-

creased borrowing in the markets, is to secure a big rise in IMF quotas. The last quota review, however, has only just been completed. Arranging another one will take many years.

Budget restraints are dampening the willingness of many countries to inject more cash into the fund. Some countries are only willing to agree to quota increases if their shareholdings in the fund are raised. The next best course is to establish a mechanism within the fund, using which central banks with reserves to invest, can place their cash directly at the disposal of the fund. This would reduce central banking operations in the markets, it could raise the fund's currency diversification moves and relieve the markets of some of the recycling pressures.

This approach could also directly strengthen the fund's ability to manage the monetary system. The obvious mechanism is a fund substitution account, where central banks could exchange surplus reserves for IMF issued obligations. To underpin the development of the stabilizing multi-currency reserve system the IMF could promote the SDR as the key reserve by issuing SDR obligations through the account.

But the scheme would work only if the obligations issued were really attractive. This consideration is prompting the IMF to increase the SDR's attractiveness by offering a degree of gold backing for the obligations might also make them more attractive. The scheme would only work if the big surplus nations, particularly the Saudi Arabians, could be convinced of its merits and if the leading industrial nations provided strong political backing. So far the IMF's staff has failed to drum-up the support it needs. Scores of technical details would have to be decided upon before the establishment of a substitution account, which is able to manage recycling, help control reserves and strengthen the

monetary system. The new Saudi Arabian commitment should be used as a starting point for a new drive to create a large-scale substitution account. If the opportunity is missed, then over time the fund will become more and more involved in market borrowing, being forced to trade and hedge like any other market participant and play all the games that central banks play, thereby weakening rather than strengthening the international monetary system.

## How the bureaucrats helped to win the battle of Hongkong

It was just a year ago that Mr John Lippitt, Deputy Secretary at the Department of Industry, regarded by many of his colleagues as a future permanent secretary, abandoned his Civil Service career.

For the previous four years he had been in charge of industrial and commercial policy but shortly before Christmas 1979 he received an approach from Sir Arnold (now Lord) Weinstock, managing director of GEC, asking him to join his group.

With the blessing of Mrs Thatcher and after scrutiny by the Advisory Committee of Business Appointments, but the body required to vet the careers of senior civil servants, he left the public service to join the private business sector. But Mr Lippitt switched to his new job as an associate director of GEC. He was charged with the task of coordinating the group's exports and advising on opportunities for overseas investment in electrical and mechanical engineering.

GEC directors had been impressed by the qualities and abilities he had displayed as a civil servant in the department which led to his appointment to GEC. He was charged with the task of coordinating the group's exports and advising on opportunities for overseas investment in electrical and mechanical engineering.

It was a particularly appropriate appointment to mark not only Mr Lippitt's first anniversary with the company but also what may well be a watershed in the development of closer government involvement in a higher competitive business.

Now it is clear that Britain managed to win this latest contract owes much to the lessons learned in negotiations for the



Mr John Lippitt, an associate director with GEC and former top civil servant, involved, as a government representative, in GEC's earlier successful negotiated contract with China Light and Power.

"A" station. This time round negotiations for the United Kingdom contenders were led not by Mr Lippitt but by Mr Gordon Menzies, his successor of the Department of Industry.

Over the past three months, supported by technical experts from the companies involved, Mr Menzies has conducted a hectic round of negotiations aimed specifically at securing for Britain one of the decade's glittering export prizes and so doing opening up the possibility for further substantial business.

The short-term benefits are enormous. The Castle Peak "B" contract will provide much needed work for many sectors of the British engineering industry laid low by the recession. At a time when the Government's rigorous and controversial economic policies have reduced some of the healthiest of our companies to a state of exhaustion, ministers can

argue (with some justification) that the Government's role in winning Castle Peak "B" has been positive. Indeed without the concerted effort which the Government and its officials have made, the contract might not have been won.

Britain gained an important foothold when CLP and its partner Eastern Energy, the Exxon Corporation-owned subsidiary, placed the first contract. But the other electricity supplier Hongkong Electric has opted for Japanese expertise for its power station projects. Significantly in the negotiations on the "A" contract, China Light and its partner agreed to a negotiated contract rather than offer the project to international tender.

Those involved regarded a repeat of the earlier procedures as vital. Similarly, there is a strong political division established last year within the Department of Trade which reports directly to Mr Manzie and his trade department

counterpart, has played an important role.

Work on the first phase of Castle Peak has gone ahead smoothly and with no serious hold-ups in the delivery of equipment. Clearly that performance would work to Britain's advantage but would CLP and Exxon be prepared to repeat the negotiated tender exercise?

Both have to consider among many other factors their responsibility to shareholders and consumers to ensure that a contract negotiated with the United Kingdom Government was internationally price competitive. Exxon was seen as the partner which needed to be persuaded most and in view of Hongkong Electric's preference for Japanese technology, the pressure on Britain heightened to ensure a fully competitive package was assembled.

The client has now been satisfied and the deal struck.

Peter Hill

Designed by Americans, named after an English king and yet uncompromisingly French, the George V is a hotel of warm character and great distinction. It stands just off the Champs Elysees in the finest of the Parisian shopping areas, and is renowned for its grand and lively atmosphere.

A treasure house of original and prized works of art, tapestries, paintings, furniture and sculpture, the George V has been lovingly restored over the years; it now has the splendid style and flair of the '20s with the comprehensive facilities that its international clientele demands today. Its 307 rooms include 56 suites; rooms for private and business functions range from the small Louis XIII Salon to La Grande Salle which will accommodate 1600 people.

Classic cuisine—in classic surroundings with fine paintings—is served in the Les Prestes restaurant, and the wine cellars are among the best in France. For reservations telephone (Paris) 723 5400 or (London) 01-567 3444.

Michelin Grand L'arc Diplôme d'Europe d'Excellence.



A TRULHOUSE FORTE EXCLUSIVE HOTEL.

## Business Diary: CBI waste-watchers' club • A plea in Playboy

Terence Beckett, he of "are-knuckle fight" fame, returned to the fray last night but in a new and subtler attack.

Mr Thatcher. The CBI director-general told members of an area council in Leeds last night that he has led civil engineer Malcolm McAlpine to head a task force pointing government waste. Ever since he took office last year, Sir Terence has been arguing that the burden of spending cuts has fallen on the private rather than the public sector.

Sir Terence shocked many of CBI supporters with his "are knuckle" speech to the conference in November, since then the last Budget has persuaded many faint hearts that after all he was

A CBI council meeting was held two weeks ago following the Budget, and although many members—McAlpine among them—were aghast that so little was done to help private industry—there were still some who shied away from another lack on a Tory government, in this one.

The "task force" emerged as a compromise measure, a means by which the CBI hopes to embarrass the Government, giving chapter and verse on what perhaps up to £3,000m

could be saved over the next four years in local government and in Whitehall.

Malcolm McAlpine is a director of his family's firm, Sir Robert McAlpine and Sons construction, being an area specially singled out by Sir Terence last night as suffering from government policy. He is to report by the summer—which means that employers as well as unions can have their "winter of discontent".

McAlpine evidently means to stay clear of the trouble Sir Terence caused himself with last November's speech, the only solid piece of information he was prepared to part with last night being that he is aged 63.

Though the names of his fellow waste-watchers have yet to be announced, McAlpine will not have to look far for help. Sir John Greenborough, immediate past-president of the CBI, is now chairman of the McAlpine family holding company, Newarthill.

I had always thought that electricity was apolitical, but now I hear that at Kirkcaldy in Angus, Norway, hard by the Russian border, when they rush short of generating capacity, they import "Soviet power" and the clocks slow down by 15 minutes. It is something to do with different cycles, they say.

## Hollywood

The death this weekend of Bernard Hollowood deprives Business Diary of its best and oldest friend.

The cartoon below is the last I received from Bernard before his death on Saturday, and as its theme has something much in Bernard's mind this month, the plight of the universities.

Bernard had posed certain problems for his local academy, the University of Surrey, Guildford. John Freyne, head of the Department of General Studies there, had asked Bernard to submit work for a Hollowood exhibition, but Freyne and his



Hollowood

"Timmy does not want to go to your old university, Dad. He thinks it will be defunct by the time he is 18."

colleague, Howard Romp, head of visual arts at Guildford's Institute of Adult Education, found that though they needed 150 cartoons, to get them they would have to mull through several thousand Hollowoods from over the past 40 years.

Freyne told me yesterday that he had heard from Bernard's family that it was the wish of his widow, Marjorie, that the exhibition should go on.

Bernard Hollowood: Exhibition of Cartoons will run from May 13 to May 29 at the Art Exhibition Gallery, Leggett Buildings, at the university.

Now it just happens that a few members of Congress, such as the cunning and powerful Senator Strom Thurmond of South Carolina, are promoting legislation demanding that all bottles of alcohol carry labels warning that drink can be bad for you.

Discus is lobbying against this, and what better way to attract the attention of Congressmen than taking a full page in the April issue of Playboy?

On the cover of this particular edition is the bold announcement: "The liberation of a Congressional wife—Rita Jenrette's own story in words and

The last-place one would expect to see an advertisement calling for a day off the booze in Playboy and yet the latest edition has a full-page advertisement for Tia Maria and Southern Comfort, is a full-page labelled "Nobody ever woke up regretting having had one too few".

Behind the headline is the Distilled Spirits Council of the United States (Discus), which far from being in favour of prohibition is, in fact, the spirit industry's lobby. Its approach is that of moderation, believing that it can keep spirits respectable by suggesting that one does not overdo it.

Discus can afford to be moderate for, after all, its members, the spirit makers, spend over \$500m a year on harder advertising.

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On the cover of this particular edition is the bold announcement: "The liberation of a Congressional wife—Rita Jenrette's own story in words and

pictures". Inside are pictures of the nude Mrs Jenrette, wife of the former Congressman also from South Carolina, John Jenrette, who had a drink problem and resigned after being found guilty of bribery charges, and her tales of love and booze on Capitol Hill.

It's a story that is gripping the members of Congress, many of whom may just have noted the Discus advertisement on their way through the magazine, and may now think of Discus as a pretty sober group when its spokesmen come lobbying.

Act now before legislation is brought in to tax and monitor earnings from funds held offshore—is the come-hither from the organizers of the two-day First International Tax Havens Fair to be held in London in May.

HM Inland Revenue were very down-beat about the whole affair when I called them yesterday to see what they made of it all.

All the old faithfuls are to be represented at the fair, among them the Caymans and Hongkong as well as the newer boys, Eire and Cyprus.

The Chancellor promised in his Budget speech to legislate for the taxation and monitoring of earnings from funds elsewhere by Britons.

Ross Davies



# Commonwealth of Australia

Twenty Year 5½% Bonds due May 1, 1985

To the Holders of the above-described Bonds:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by lot for redemption on May 1, 1981, at 100% of the principal amount thereof through operation of the Sinking Fund, \$819,000 principal amount of said Bonds as follows:

OUTSTANDING COUPON BONDS OF \$1,000 BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

25 26 34 41 45 49 54 56 73 86 87 98

COUPON BONDS BEARING THE FOLLOWING NUMBERS:

4393 6983 10882 13883 15883 16783

ALSO THE FOLLOWING REGISTERED BONDS

Send Number Principal Amount Amount Selected for Redemption Bond Number Principal Amount Amount Selected for Redemption

14 \$19,000 \$3,000 65 \$19,000 \$1,000

The Bonds bearing the numbers above specified will be redeemed and paid on and after May 1, 1981, at the principal amount thereof, upon presentation and surrender of such Bonds at the option of the holder either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y., or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Antwerp, Brussels, Frankfurt (Main), London or Paris, or the Reserve Bank of Australia in London, or Amsterdam-Rotterdam Bank N.V. in The Netherlands or Banque Générale du Luxembourg S.A. in Luxembourg, Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City, or by a transfer to a United States dollar account maintained with a bank in New York City.

Coupons due November 1, 1981, and subsequent maturing coupons should be attached to coupon bonds being redeemed: coupons maturing on May 1, 1981, should be detached and presented for payment in the usual manner.

From and after such redemption date no interest shall accrue upon or in respect of any such Bonds called for redemption as aforesaid.

COMMONWEALTH OF AUSTRALIA

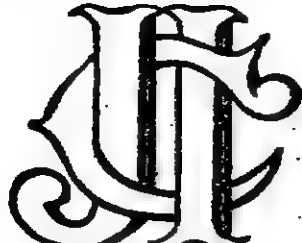
March 31, 1981

NOTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

8604 3324 12282 17813 19398 20613 21312 22304 23222 23824

## Western Areas Gold Mining Company Limited



(both incorporated in the Republic of South Africa)  
Members of the Johannesburg Consolidated Investment Group of Companies

## The Randfontein Estates Gold Mining Company, Wit., Limited

### Highlights from the 1980 Annual Reports

Operating profit increased from R79.2 million to R152.7 million principally as a result of the higher average price received for gold; U.S. \$623 per ounce, compared with U.S. \$316 per ounce in 1979.

Dividends increased from 47 cents per unit of stock to 120 cents, absorbing R48.4 million.

Expenditure on mining assets amounted to R57.4 million compared with R40.3 million in 1979. This high level of expenditure is expected to continue and R45 million is estimated for 1981.

Gold production declined by some 15.4% to 19554 kilograms as a result of the lowering of the recovery grade from 5.3 grams per ton to 4.5 grams per ton in order to optimise extraction from the multiple-reef orebody during a period of high gold prices.

Middle Elsburg reef development continued at the North Shaft and two years' ore reserves were established. Ore reserves on the Upper Elsburg reef horizon were reassessed in view of the higher gold price expectations but certain areas requiring long-term preparatory work were excised in arriving at a total ore reserve of 11.6 million tons at an estimated grade of 5.6 grams per ton. These reserves were computed at a gold price of U.S. \$550 per ounce compared with U.S. \$375 per ounce in 1979 when the estimated ore reserves amounted to 11.8 million tons at a grade of 6.4 grams per ton.

In terms of the uranium sales contract R20 million of the R30-million interest-free loan was received during 1980, the balance having been received in January, 1981.

Sinking of the SV3 shaft commenced while work on the 4E sub-vertical shaft continued. Good progress was made in construction of a surface refrigeration plant, a carbon-in-pulp gold recovery plant and a uranium treatment plant. The 4E sub-vertical shaft and carbon-in-pulp plant will come into operation and the surface refrigeration and uranium treatment plants are due for commissioning during 1981.

\* The above is relevant to stockholders of Elsburg Gold Mining Company Limited.

Johannesburg  
30th March, 1981

### SUMMARY OF OPERATIONS

Western Areas		Year ended 31st December	Randfontein Estates	
1980	1979		1980	1979
4320	4339	GOLD Tons milled—000's Recovery—grams per ton Kilograms produced	4084	3921
4.5	5.3		5.1	6.0
19554	23109		20817	23436
15511	8480	Average price received— Rand per kilogram U.S. \$ per ounce	15530	8160
623	316		621	307
318	214		271	173
70.51	45.37	Revenue—R per ton milled Cost—R per ton milled Profit—R per ton milled	79.58	49.11
35.87	27.43		34.58	27.88
34.64	17.94		44.98	21.23
		URANIUM Tons treated—000's Recovery—kilograms per ton Tons oxide produced	3933	3326
			0.164	0.125
			646.5	416.7
149.6	77.9	FINANCE Net profit from gold and silver—Rm Net profit from uranium—Rm Capital expenditure—Rm Tax and State's share of profit—Rm Dividends declared—Rm	183.7	83.2
58.1	41.8		22.5	14.9
53.4	19.0		79.0	22.7
48.4	18.9		68.6	7.2
			59.6	32.5

The annual general meetings of members will be held in the Boardroom, Consolidated Building, corner of Fox and Harrison Streets, Johannesburg, on Monday 27th April, 1981 at the following times: Western Areas Gold Mining Co. Ltd. 09h15; Elsburg Gold Mining Co. Ltd. 10h00; The Randfontein Estates Gold Mining Company, Witwatersrand, Limited. 11h00.

Note: Copies of the Annual Report will be provided on application to the London Secretaries  
Barnato Brothers Limited,  
99 Bishopsgate, London EC2M 3XE.  
Telephone: 01-558 7011.

# FINANCIAL NEWS

## Cape Gate buys two subsidiaries of JFB

By Margaret Pagano

Two steel wire subsidiaries of Johnson and Firth Brown yesterday were sold to Cape Gate, South Africa's largest independent steel wire company, for £15m.

The sale of the loss-making Johnson & Nephew (Manchester) and Johnson & Nephew (Aberdeen) wire mills means that the Sheffield special steels group will no longer be involved in steel wire production. The deal with the Cape Gate Group—subject to non-referral to the Monopolies and Mergers Commission and South African exchange control permission—is based on net asset value of the two plants of about £15m. But the total deal is worth £15m, made up of £4m cash now and £11m to be paid at annual instalments over the next four years.

The properties are being leased back to the two companies by JFB and put and call options have been arranged so that JFB will sell

them for £3m in 1987. The £4m cash is made up of £2m for share capital and reserves, £1m for overdrafts and £1m for the loan.

Mr Philip Ling, JFB general manager, said yesterday that to continue funding the two plants would have been a drain on resources. In the six months to March this year J & N (Manchester) is estimated to lose £700,000 and J & N (Aberdeen) will just break even. The £4m cash, Mr Ling said, will go to reduce the group's £60m debt burden, and so too will the annual payments.

This is Cape Gate's first entry into the United Kingdom market and it aims to bring the mills, both hit by a flood of imports after the steel strike, back to profits. The 900 employees will remain and Cape Gate, run by Mr Mendel Kaplan, will be bringing in some new management in its attempts to diversify products and penetrate international markets.

# Stock markets

## Profit taking follows CBI forecast for economy

A gloomy economic forecast from the CBI and higher interest rates in the United States led to a subdued start to the new account yesterday.

Dealers reported only moderate demand, after a hesitant start, with investors choosing to remain on the sidelines. Nevertheless, selling pressure was minimal, and jobbers and brokers were kept busy by the welter of bid and breakfast deals required as the financial year-end approaches.

Friday night's sharp setback on Wall Street in the wake of the sudden rise in United States prime rates by 1 per cent to 17½ per cent gave the market its first sign that it was time

to take profits after the strong run of the last account. This view was reinforced by the gloomy economic report from the CBI which forecast no improvement in the recession until 1982.

In spite of the quiet conditions, rubber plantations came in for further good gains in a thin market, but gold shares encountered a shakeout as the auction price dipped \$17 to \$22.50 an ounce, despite the worsening situation in Poland.

After being down 4.4 at midday the FT index closed 2.5 lower at 518.8.

Government securities appeared worried by the prospect of dearer money in the United States and with the market looking overbought, the new index-linked issue was given a rapid reception. Having held at its opening level of £35, the gilt paid for most of the day, it closed £1 lower at £34.

Elsewhere, sellers pushed prices lower by as much as £2 in 'long' with shorts losing £1 in rather quiet trade.

Leading industrials recovered from earlier sharp falls but showed a mixed appearance at the close. ICI managed a 2p rise at 238p, Fisons 3p to 156p

and Dunlop 1p to 69p—the last named still on talk of a bid from the Far East. But GKN fell 7p at 140p, Tubes 2p to 204p, Seachem 1p to 174p and Unilever 2p to 503p. Profit taking lopped 4p from both Bower at 236p and Blue Circle at 416p after last week's considerable gains.

Shares of R. P. Martin were suspended just below their high at 184p, pending a further announcement. Only recently the group broke off talks with the German group Bierbaum, which holds 29.9 per cent of the equity.

Also on the bid front, Savoy Hotels "A" rebounded 16p to 200p amid speculation that a counterbid to the offer from Trusthouse Forte, unchanged at 218p, was about to be launched.

Weekend speculation that a major United States group might be interested in much-troubled ICL prompted a 7p rise in the shares at 43p, after 45p. Favourable press mention also added 3p to Bath & Portland at 49p, 6p to Bealys Leslie at 29p to Selincourt at 13p, 5p to JB Holdings at 57p, 6p to Westland Aircraft at 144p and 8p to Flight Refuelling at 345p.

But adverse mention wiped 4p from Sangers at 72p, Western Shares of Godfrey Davis fell 7p to 79p, having been 74p.

Speculative buying lifted Minister Assets 3½p to 84½p, Milbury 7p to 76p, Western Selection Dev 4p to 35p and Brickhouse Dudley 5p to 46p. Buying in a thin market also lifted Steel Bros' 17p to 155p and Amalgamated Metal 27p to 310p.

Improved interim figures boosted Ferry Pickering 5p to 74p, Newman-Tanks 5p to 54p and United Wire 5p to 31p, while better than expected full-year statements added 17p to APV at 240p, 4p to Federated Land at 116p, 6p to Freemans (London SW) at 132p and 12p to Low & Bonar at 200p.

week Babcock Int rose 3p to 11p and Cape Industries 2p to 216p.

In shipping, Ocean Transport & Trading closed unchanged at 146p, reflecting disappointment at the size of the dividend, but F & O bounced 5p to 148p with British Commonwealth 2p heavier at 325p.

Speculative attention lifted Associated Fisheries 6p to 62p in foods, with Wm Morrison-reporting later this week—7p better at 233p. But B. Matthews retreated 10p to 393p in the wake of recent figures.

Electricals saw GEC slip 3p to 665p, despite sharing in the lucrative £500m contract awarded to several British companies in Hongkong, while Thorn EMI dipped 6p to 326p and Plessey 2p to 316p. Automated Security eased 2p to 345p after figures and Plessey in proved 6p to 166p on further reflection on Friday's trade news. Investment buying lifted Lee Refrigeration 4p to 122p, Sound Diffusion 6p to 123p at Solex (UK) 2p to 54p.

Further strong buying in this market prompted a live session for plantation via Jitra Rubber up 12p to 74p, Singapore Para 15p to 107p and Sangei Bahr 2p to 208p.

Insurance shares remain nervous in the wake of recent disappointing figures. Phoenix

Bryant Holdings the house builder and property group on course for another year of standing after the surge pre-tax profits from £4.7m, £6.56m in 1979-80. The interim statement now due should show the group on the way to profit of between £7m and £7.5m. I shares are 85p, just 1p short the year's high.

fell 6p to 270p, Commerce Union, ex div, 11p to 16p, General Accident 4p to 33p and CRB 6p to 230p.

Equity turnover for Mar 27 was £204.749m (barga 27,759). Active stocks, according to the Exchange Telegraph were ICL, Lasso, KCA, I. Turner & Newall, KCA, She GEC, Lucas, Rank Organisation, Royal Bank of Scotland and P.

Traditional options: Deal reported after the market yesterday. Calls were made in IC Premier Oil at a rate of 9p, Hawker Siddeley at 23p a Johnson's, Firth Brown. P were arranged in MFL, W. Traded options: A total 1.4 contracts were recorded.

### Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
£m	£m	£m	£m	per share	dts	total
AFV Hides (F)	282.1(261.5)	18.5(19.02)	40.49(42.3)	6.2(5.6)	—	9.0(8.41)
Amal Estates (F)	0.2(0.18)	0.37*(0.167*)	8.0(13.1)	1.34(—)	15/3	2.8(2.96)
Archlife (F)	5.45(4.77)	0.48(0.65)	19.43(16.51)	1.4(1.23)	31/5	2.4(2.0)
Automated Socs (F)	1.81(1.1)	0.1(0.24)	2.48(3.0)	1.43(1.45)	24/4	—(4.25)
Bluebird (F)	5.2(5.6)	16.1(12.1)	9.64(9.25)	2.76(2.5)	29/5	4.3(4.1)
Chatterhouse (F)	—(—)	0.16(0.17)	—(—)	2.75(2.50)	7/5	—(—)
Emes Lighting (F)	1.35(0.94)	0.45(0.75)	—(—)	1.4(1.3)	14/3	—(—)
Fickering (F)	229.4(208.5)	10.6(15.2)	11.2(17.8)	2.0(2.01)	6/6	3.7(3.5)
Freemans (F)	151.6(142.5)	7.6(9.0)	41.27(49.34)	9.5(9.5)	—	14.5(14.3)
Low & Bonar (F)	36.2(19.5)	0.51(1.12)	1.75(2.73)	1.63(1.63)	22/5	—(—)
Newman Tanks (F)	35.5(34.7)	32.5(19.7)	32.5(19.7)	4.7(4.3)	1/1	9.0(8.9)
Ocean Transport (F)	81.14(77.23)	0.13(0.08)	1.5(19.5)	0.61(1.23)	29/5	1.45(1.23)
H & J Quick (F)	—(—)	—(—)	—(—)	—(—)	—	—(—)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividend are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are also pre-tax and earnings are net. \*Loss.

### Briefly

Hazlewood Foods: Board has exchanged contracts for the sale of the company to a consortium of which £65,000 is payable in cash and balance in shares.

Waterbottom Energy Trust: Net asset value per share at close of business on March 27 was 383p after deduction of prior charges at par and 396p after deduction of prior charges at market value.

Bond Street Fabrics: In a letter to shareholders, Chairman, states that board is unanimously convinced that the terms offered by Archinlock are in the best interests of the co, its shareholders, loan stockholders and employees and recommended immediate acceptance of the offer.

Equity and Law Life Assurance Society: British Railways board has acquired an interest in 1.02m shares (5.1 per cent).

Candaw Industrial Holdings has acquired an 80 per cent interest in LRS (Parcels), a small transport business which is being acquired to participate the rationalisation of the group's transport.

Consideration satisfied by the issue of £44,000 in 25p stock units together with £20,000 in cash.

Disposal of Hamblin & Wingate (Holdings) to Dolland & Aitchison Group was approved. Proceeds £4.3m have been received.

Alcan: Proposed acquisition of the shares not already owned in Alcan Aluminium (UK) was approved at meeting of Alcan Aluminium (UK). Expected that the scheme will become effective on or about April 16.

Inveresk Group: Scheme of agreement involving acquisition by Georgia-Pacific of ordinary stock and the preference stocks of Inveresk, after approval by statutory majorities of the holders of such stocks.

G. M. Firth (Metals): Directors have decided not to proceed with the discussions referred to in the announcement made on February 9. However, they are actively considering alternative proposals to expand the activities of the group.

Siroud Riley Drummond: Offer by Mr Stefan Simmonds, chief executive to purchase all ordinary shares not already owned has lapsed. Acceptances received in respect of 4,755 shares. Prior to offer announcement, Mr Simmonds controlled 1,376m shares (38.9 per cent). The offer was to comply with City code and directors recommended shareholders not to accept.

Aquis Securities: Mr Harold Quilman, chairman, states that the loss sustained by Lex Building, in Brussels, has been substantially reduced during 1980, and with exception of one sale, property is fully let.

NCC Energy: Simplicity Pattern of New York has abandoned two acquisition offers, but envisaged a third, unexpected proposal. Simplicity is to work towards "a business combination" with NCC Energy Ltd. Each firm will send two representatives to sit on the other's board. Simplicity said a major shareholder, Devon Group, has agreed to sell its entire 5.3 per cent interest in Simplicity to NCC for \$13 a share, or \$9.5m.

## Hazlewood Foods buys Manor Vinegar Brewery

By Rosemary Unsworth

Hazlewood Foods, the vegetable processor and sauce manufacturer, is paying £1m for Manor Vinegar Brewery, which is 40 per cent owned by H. J. Heinz Company.

The consideration will consist of £65,000 in cash and the remainder in shares, and the deal is subject to shareholders' approval.

Manor made pretax profits last year of £203,000 and has shareholders' funds of £581,000.

The balance of its shares held principally by members two families.

Heinz and Hazlewood have both purchased a substantial proportion of their vinegar requirements from the company for several years. Manor's pretax management will continue to run the business, which is based in Walsall, Staffordshire.

Last year Hazlewood made pretax profits of £173,000 and turnover of £8.3m. Its net assets stand at £3.5p a share.

## Waterloo Publishers

Mr Robert Maxwell, chief executive of BPC, yesterday announced the formation of Waterloo Publishers, which will take over the publishing activities of Waterloo (London) Limited.

Waterloo Publishers continue printing the Radio Times, The Listener, and other publications such as The Solicitor's Diary and Directory and The Bankers Magazine.

Mr Joe Hooke, Waterloo managing director, has been appointed a director of BPC.

He joined Waterloo as managing director in 1964 and in 1971 was appointed managing director.

Mr Victor Williamson, formerly publishing director, has been made managing director, and Mr Maxwell is chairman. The new company will continue operating from present premises.

## Federated Land Limited

Year to 31st December, 1980

Profit before tax	2927,000	(£1,112,000)
Earnings per share	6.9p	(3.8p)
Net dividends per share	3.35p	(3.15p)
Net assets per share	140p	(121p)

The main reason for the reduced profit was the high level of interest rates which prevailed during the year and the company's policy of writing off interest as it accrues.

This factor particularly applied to the Leatherhead development.

However, this development will make a positive contribution to profits from 1983 onwards.

Rental income showed a 25% increase arising mainly from the company's Hempstead development.

Given the anticipated increase in rental income in future years the board has decided to increase the total dividend to 3.35p from 3.15p.

J.H.P. Meyer, Chairman.



سكنا الاصل

# Anglo American Corporation

Reviews by the Chairmen of the Gold Mining Companies administered by the Group in the Transvaal for the year ended 31 December 1980.

The following are general comments on the gold and uranium markets, mining operations and related matters from the reviews by Mr. H. F. Oppenheimer, chairman of Elandsrand; Mr. D. A. Etheredge, chairman of Vaal Reefs; Mr. G. Langton, chairman of Western Deep Levels; Southvaal Holdings and Afrikaner Lease; and Mr. N. F. Oppenheimer, chairman of S.A. Land.

## GOLD

Last year I wrote that the price of gold was not expected to drop to the average level of 1979. In the event, the average price during 1980 reached \$614 an ounce which was just double the average of \$307 achieved during the previous year. Not only was the average price much higher but the pattern underlying the average was also significantly different. During 1979 the price rose relatively steadily from a low of \$225 at the beginning of the year to \$524 at the close. However, the price last year was subject to violent fluctuations and fell from its record high of \$850 in January to a low for the year of \$474, just two months later, before recovering some of its previous strength.

It seems clear that the price volatility during the past year stemmed almost entirely from the activities of short-term investors and speculators who used the gearing opportunities afforded by the futures markets, particularly in New York, to trade enormous volumes of gold. The influence of these futures markets has grown spectacularly along with their trading volumes. During 1975, the first full year of trading, approximately 900,000 gold contracts were traded in the US markets. Last year a total of 11 million contracts were traded, representing approximately 34,400 tons of gold or 133 tons of gold daily on average. Looking at such volumes in the context of a total supply of physical gold in 1980 of only about 1,074 tons, excluding scrap, the dominance of the futures markets rather than the physical bullion markets in short-term price determination is hardly surprising.

Although the current market is described as weak it is showing remarkable resilience in the face of high real interest rates, particularly in the US, and there is evidence of increasing offtake by the industrial sector. This underlying long-term strength reflects the compensatory nature of the various market sectors and the likely trend of market fundamentals over the next few years. It bodes well for the future, irrespective of the short-term fluctuations which will undoubtedly persist. In this connection it is worth noting that last year's volatility was relatively of the same order as that seen in 1973-74.

It is estimated that the total supply of gold to the market during 1980 amounted to only about 1,074 tons, excluding scrap, compared with 1,765 tons in 1979. Net supplies by the major producing nations, South Africa and Russia, declined to approximately 645 tons and 80 tons respectively after 703 tons and 230 tons in 1979. The high gold price enabled South African producers to exploit lower grade ores and the Reserve Bank to withhold gold from the market. It also assisted the communist bloc to achieve its foreign exchange requirements with significantly lower sales volumes. Despite the continuing expansion of the South African gold mining industry, supplies from this source are unlikely to increase significantly due to the lower grades being mined; however, Soviet sales could possibly return to previous levels should economic circumstances so dictate.

Elsewhere in the world, production is estimated to have increased from 250 tons in 1979 to approximately 280 tons. Intensified exploration activity and efforts to recover by-product gold should result in increased production but this increase should be more than offset if central banks in producing countries decide to withhold greater volumes of gold from the market.

The IMF supplied only 69 tons in 1980 in the final auction sales of its four-year programme, compared with 170 tons in 1979. Despite the substantial quantity of gold still held by the IMF it seems unlikely that further supplies will be made available from this source, at least for the foreseeable future.

Partly as a result of consumer resistance to higher and more volatile prices and partly because of the trend towards lighter and lower caratage jewellery pieces, new gold offtake by

	Vaal Reefs		Southvaal Area		Western Deep Levels		Elandsrand		S.A. Land	
	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979
Gold Tons milled 000's	8 536	8 183	2 868	2 679	3 329	3 241	985	582	1 336*	1 285*
Yield-grams/ton	8.13	8.22	10.59	10.29	13.70	14.78	5.33	5.04	1.11	1.24
Production (kg)	69 876	67 282	30 270	27 550	45 621	47 880	5 250	2 931	1 486	1 585
Cost-Rand/ton milled	36.39	31.88	33.21	34.40	44.17	37.15	42.88	35.47	3.93*	3.17*
Cost-Rand/kg produced	4.299	3.878	3.608	3.344	3.223	2.514	8.063	7.044	3.637*	2.557*
Price received-Rand/kg	15.784	8.183	15.784	8.147	15.831	8.353	15.491	9.270	15.438	8.099
Working profit R000's	799 047	290 870	388 270	132 942	582 885	280 952	39 801	7 151	6 720*	3 072*
Royalty Paid	195 637*	66 976	195 587	66 976	—	—	—	—	—	—
Capital expenditure R000's	126 106	103 876	54 197	54 982	71 836	72 749	37 055	69 000	2 545	530
Tax R000's	335 120	108 678	—	—	328 303	136 001	—	—	2 114	2 137
Dividends cents share	1 320	510	—	—	800	320	—	—	55	80
Uranium Production (tons)	1 758	1 273	773	485	213	199	—	—	—	—
Profit R000's	46 396	61 821*	21 631	18 674	3 801	9 484	—	—	—	—

NOTES: 1. Included in Vaal Reefs figures. 2. First full year of production. 3. From dumps.  
4. Unit production cost (excluding the delivered cost of dump material). 5. After taking account of the delivered cost of dump material.  
6. Includes royalty of R50 000 paid to Afrikaner lease.

Jewellery manufacturers is estimated to have fallen to about 350 tons or less than half that of 1979 levels.

Renewed demand and nevertheless may be expected as the market eventually adjusts to higher price levels and as the availability of scrap gold declines.

After a slump early in the year sales of official coins resumed later, although at lower tonnage levels than before. There is still good demand for the one ounce coins even though they have tended to become too expensive for the smaller investor. In September, therefore, Intargold launched a series of fractional Krugersands containing precisely one-half, one-quarter and one-tenth of an ounce of fine gold. Judging from the market's initial reaction these coins are proving attractive to a broader spectrum of investors and, because they are aimed at a different market, they have not affected demand for the one ounce Krugersand. Sales of all official coins are estimated to have totalled 200 tons in 1980, nearly half of which were Krugersands.

In monetary terms, investment demand grew substantially with tonnage remaining relatively constant. If purchases and retentions by central banks and other monetary authorities are added to investment demand it can be seen that gold has regained a large measure of its importance as the asset of last resort.

Unless official sales resume on a large scale, and this is unlikely, it would seem that demand will match the supply from all sources with price fluctuations being the determining factor. In the longer term these fundamental considerations will govern the development of the gold market. Notwithstanding short-term speculative influences, I believe that 1981 will prove to be a year during which the market stabilises and, in the longer term, supply-demand fundamentals will ensure that the trend will remain upward.

## URANIUM

Uranium prices in the spot market fell dramatically during the year and opportunities for doing new short-term business at reasonable prices were further reduced. In the recessionary economic climate affecting most of the developed world, projections of demand for additional power generation have

slipped considerably. Although exploration activity is now diminishing, a number of high-grade orebodies have been discovered in various countries during the past few years and existing producers have extended their production capacity. As a result, an oversupply is developing and this is affecting uranium consumers' perceptions of the security of their future supplies. Arising from these altered perceptions and the influence of high interest rates early in the year, certain electricity utilities in the US began to dispose of surplus inventory and this accelerated the market's decline.

At current price levels, and with production costs escalating rapidly, more and more primary producers of uranium will be forced out of business while producers of by-product uranium and new, low-cost primary producers take their place in the market. Such a trend is already evident and the balance between supply and demand will consequently be re-established eventually, although it is anticipated that uranium inventories will continue to increase in the medium term.

In the longer term there can be no doubt that utilities must start ordering new generating capacity again to maintain a sufficient generating reserve and to match the slow growth in electricity demand. They must look, also, to the replacement of obsolete capacity and, later, oil-fired stations. The trends of supply and demand are, therefore, bound to change direction again. The difference this time will be that projections of nuclear power growth will be rather more realistic than in the past and prices more in line with market fundamentals.

Another factor with which South African uranium producers must contend is the desire of many of the utilities to diversify their supply sources. The fact that Australian producers are receiving permission to proceed with the development of their mines has presented the utilities with this opportunity which has been compounded by the aggressive pricing policy adopted by the Australians.

The uranium spot price has fallen substantially since mid-1979; however, the steady appreciation of the rand relative to the dollar has accentuated this decline in South African money terms. Given a situation in which uranium over-supply is projected for some years, it is difficult to see how spot prices can

improve and pressure from our present customers to modify our existing contracts appears a likely corollary. I believe that, at best, it will be possible to maintain present contract prices only in current money which means, of course, a decline in real terms.

## LABOUR

In my review last year I made reference to the shortage of skilled workers in South Africa; this shortage, far from diminishing, has been aggravated by increased activity in the industrial and construction sectors of the economy to such an extent that I now regard the situation as becoming critical. It is hoped that recruiting campaigns initiated both locally and abroad towards the end of last year will help to ease the situation.

However, I feel it is important that all those concerned with the industry should recognise that any lessening of the shortage of skilled manpower by the recruitment of trained artisans can only be a temporary measure, and that in the long term the only acceptable solution is the proper training and utilisation of South Africa's total manpower resources. The period of initial training of apprentices will have to be reduced further, without in any way changing the accepted standards, by giving apprentices the basic skills which will be consolidated and enhanced by continuous training programmes throughout the early years of their careers. A decision has been taken to construct a new centre devoted to apprentice training in Carletonville to service mines in that area. This will supplement the expanded facilities at Welkom and at this mine and will enable the ratio of apprentices to artisans to be increased to 1:2.

The black-white wage gap in the mining industry is closing slowly, but there will have to be further substantial increases in the real earnings of the lowest paid workers to raise them to the rates paid in heavy industry and to provide an acceptable standard of living for their families.

## Mr. N. F. Oppenheimer: potential new gold mine at S.A. Land

I commented in my review last year on the possibilities which exist for the establishment of a gold mine in an area around the old No. 5 shaft of the defunct Van Dyk Consolidated Mines Limited to the west and south of Sallies workings. In preparing the detailed feasibility study, account has had to be taken of contradictory geological and sampling information which has only recently come to light and which suggests that the extent and value of the ore reserves and the potential reserves might not be as great as was thought previously to be the case. However, it is a well-known feature of the East Rand that it is especially difficult to estimate ore reserves because gold deposits are concentrated generally in paystons of irregular width which become narrower towards the south and tend to be erratic. After exhaustive research it is considered that an opportunity may exist, in the long term, for the development of a new gold mine and I believe that this opportunity should be examined further, as a first step, to conduct a comprehensive underground sampling programme which, if successful, may be followed by a major capital expenditure project. The sampling programme will involve the installation of a hoist in the Van Dyk No. 5 sub-vertical shaft together with the necessary electrical reticulation and pumping facilities to de-water the underground workings.

It is not possible for the company to finance both the cost of the sampling programme as well as current capital projects or those which will be embarked upon shortly, from cash flows generated by its normal operations. In view of this it is intended to make a rights offer to shareholders to raise an amount considered adequate to cover the anticipated costs. Detailed proposals are being prepared and will be circulated to members shortly.

The Annual General Meetings of these companies, all of which are incorporated in the Republic of South Africa, will be held in Johannesburg, South Africa, on April 21, 1981. Copies of their annual reports may be obtained from the London Office at 40 Holborn Viaduct, London EC1P 1AJ or from the offices of the United Kingdom Transfer Secretaries, Chartered Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EL.

## COMPANY ANNOUNCEMENT

### The South African Land & Exploration Company Limited

Incorporated in the Republic of South Africa  
PROPOSED RIGHTS OFFER TO MEMBERS

The attention of members is drawn to the chairman's review for 1980 which is advertised in the Press today, and also to the annual report which was posted to members on March 30 1981. It will be noted from these documents that it is intended to make a rights offer of shares to finance underground sampling from the old Van Dyk No. 5 shaft. The technical advisers estimate that approximately R13,000,000 will be required to cover the costs both of the proposed underground sampling programme and of other capital projects either currently in progress or to be embarked upon shortly.

The directors have accordingly decided to make the offer to members registered in the books of the company at the close of business on Friday, April 24 1981 (see note below), and to holders of share warrants to bearer issued by the company. Applications will be made to The Johannesburg Stock Exchange and The Stock Exchange in London for listings of the shares to be offered, which will, upon issue, rank pari passu in all respects with the existing shares in issue.

Details of the offer, including the number of shares to be offered, the ratio and the issue price, will be published in the Press in due course. A circular containing a copy of a report by the company's technical advisers, together with full details of the offer, will be posted to members from the Johannesburg and United Kingdom offices of the company. The circular will be accompanied by renounceable letters of allocation in respect of members' rights arising from their holdings in the company on April 24 1981.

In order to participate in the offer, holders of share warrants to bearer must lodge their share warrants and talons at the offices of the company's transfer secretaries in the United Kingdom. Certificates for the new shares to be issued in terms of the offer will be issued in registered form only.

Note: The offer will not be registered with the Securities and Exchange Commission, Washington. The offer will not be open for acceptance by persons with registered addresses in the United States of America. The rights which are thus not available for acceptance by such persons will, if possible, be sold on the London or Johannesburg stock exchanges through an independent merchant bank for the account of such persons, and details of the arrangements in this regard will be sent to members with registered addresses in the United States of America. If such rights are sold on The Johannesburg Stock Exchange then in terms of South African exchange control regulations the proceeds will constitute financial rand.

Johannesburg  
March 31 1981  
Copies of this announcement are being posted to all members at their registered addresses.

Anglo American Corporation

## A CIRCULAR TO MEMBERS

### Elandsrand Gold Mining Company Limited

Incorporated in the Republic of South Africa  
ADDITIONAL CAPITAL REQUIREMENTS

#### Increase of Capital and Proposed Rights Offer

In the directors' report for 1979, reference was made to the arrangements relating to the financing of post-production expenditure and the fact that much would depend on gold production from early stoping operations and on the prevailing gold price. It was hoped that sufficient funds would be realised to meet the continuing capital expenditure programme necessary to bring the mine to full production; any shortfall would be covered by bridging finance arranged with Anglo American Corporation of South Africa Limited.

The company at present has loan facilities of R40 million from Anglo American Corporation of South Africa Limited. Drawings against these facilities bear interest at a rate one per cent above the minimum overdraft rate charged by the commercial banks from time to time, and there is a commitment charge of one per cent per annum on the undrawn balance. As at February 28 1981, the total amount borrowed in terms of these arrangements amounted to R38,614,000.

The mine's priority programme is the urgent development of a sub-vertical shaft system on which capital expenditure is proceeding as fast as possible. When completed, the system will facilitate the exploitation of the higher-grade reef at lower levels in order to realise fully the mine's considerable profit potential. In the circumstances, the directors consider it appropriate to raise the further capital required to bring the mine to its full production of 180,000 tons a month by way of a rights offer. The amount which it is proposed to raise will be about R120 million.

The company at present has an authorised capital of R16,000,000 in 80,000,000 shares of 20 cents each, of which 75,484,238 shares have been issued. It is proposed to convene a general meeting of members to follow the annual general meeting scheduled for April 21 1981, at which members will be asked to consider a special resolution increasing the authorised capital to R28,000,000 in 140,000,000 shares of 20 cents each. Subject to the passing of this resolution, the company will then have 29,515,762 shares in reserve, which will give the directors the necessary flexibility in fixing the terms of the proposed offer.

At the general meeting, members will be asked also to consider an ordinary resolution placing the reserve shares under the control of the directors and authorising the directors to make appropriate arrangements for the subscription by underwriters of any shares offered by way of rights issues and not taken up by the persons entitled thereto, and of any shares resulting from the consolidation of any fractional entitlements.

No portion of the capital of the company is under option or, conditionally or unconditionally, committed to be put under option. No capital has been issued since the date of the last published audited financial statements, nor is it proposed (other than as set out in this circular) that any capital be issued for cash or otherwise, nor have any commissions, discounts, brokerages or other special terms in connection with the issue or sale of any capital of the company been granted.

Subject to the passing and registration of the special resolution increasing the company's authorised capital, it is proposed that the rights offer should be made to members registered in the books of the company at the close of business on Friday, April 24 1981, the "record date" (see note below). Applications will be made to the Johannesburg Stock Exchange and The Stock Exchange in London for listings of the shares to be offered, which will, upon issue, rank pari passu in all respects with the existing shares in issue.

Details of the offer, including the number of shares to be offered,

the ratio and the issue price, will be published in the Press in due course. A circular containing a copy of a detailed report by the company's technical advisers on the progress of the mine, together with full details of the offer, will be posted to members from the Johannesburg and United Kingdom offices of the company. The circular will be accompanied by renounceable letters of allocation in respect of members' rights arising from their holdings in the company on the record date.

Note: The offer will not be registered with the Securities and Exchange Commission, Washington. The offer will not be open for acceptance by persons with registered addresses in the United States of America. The rights which are thus not available for acceptance by such persons will, if possible, be sold on the London or Johannesburg stock exchanges through an independent merchant bank for the account of such persons, and details of the arrangements in this regard will be sent to members with registered addresses in the United States of America. If such rights are sold on the Johannesburg Stock Exchange then in terms of South African exchange control regulations the proceeds will constitute financial rand.

#### Increase in borrowing powers

The borrowing powers of the directors are at present limited by the company's articles of association to a maximum of R40 million. It is clear that these borrowing powers, which were fixed when the company was incorporated in 1974, are inadequate under present conditions.

At the general meeting members will therefore be asked to consider a special resolution amending Article 98 of the company's articles of association in such a way as to give the company minimum borrowing powers of R100 million.

#### NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Elandsrand Gold Mining Company Limited will be held at 44 Main Street, Johannesburg, on Tuesday, April 21 1981 at 09h15 or immediately following the termination of the annual general meeting of the company convened for 09h00 on that day, whichever is the later, for the following purposes:

1. To consider and, if deemed fit, to pass the following resolution as a special resolution:

"That the authorised capital of the company be and it is hereby increased from R16,000,000, divided into 80,000,000 shares of 20 cents each, to R28,000,000 divided into 140,000,000 shares of 20 cents each, by the creation of 25,000,000 shares of 20 cents each, which shares shall, upon issue, rank pari passu with the existing shares of the company."

2. To consider and, if deemed fit, to pass the following resolution as an ordinary resolution:

"That, subject to the passing and registration of the special resolution increasing the capital of the company from R16,000,000 to R28,000,000, the directors be and they are hereby authorised:

(i) To allot and issue all or any portion of the 25,000,000 shares of a nominal value of 20 cents each in the capital of the company at such time or times, to such person or persons, company or companies, and upon such terms and conditions as they may determine, the aforesaid authority to remain in force until the next annual general meeting of the company;

(ii) To make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:

(a) any shares offered by way of rights issues but not taken up by the persons entitled thereto; and

(b) any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that any rights to such shares which can be sold in nil-paid form on the Johannesburg and/or London stock exchanges during the period which they are quoted on such stock exchanges will be sold by the underwriters, and the net proceeds of any sale of such rights exceeding five rand in the case of any individual shareholder shall be paid to such shareholder. Any net proceeds of less than five rand, per shareholder shall be paid to the company."

3. To consider and, if deemed fit, to pass the following resolution as a special resolution:

"That clause 98 of the company's articles of association be deleted and the following inserted in place thereof:

"98(a) Subject to the provisions of sub-article (b) hereof, the Directors may borrow or raise money from time to time for such purposes as the Company shall deem fit."

(b) The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by the Group (excluding inter-Group borrowings) not including the principal amounts secured by any outstanding guarantees or sureties given by any company in the Group for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised) shall not without the previous sanction of an ordinary resolution of the Company exceed the aggregate of:

(i) One hundred million rand, or

(ii) the total of:

(a) the nominal amount of the issued and paid up share capital for the time being of the Company (subject to any variations therein since the date of the last accounts referred to in this clause) and

(b) the aggregate of the amounts standing to the credit of all capital and revenue reserve accounts, any share premium accounts and the profit and loss accounts as set out in the consolidated balance sheet of the Company and its subsidiaries certified by the Company's Auditors and as attached to or forming part of the last accounts of the Company which shall have been drawn up to be laid before the Company in General Meeting at the relevant time;

whichever is the greater amount.

provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within ninety days in the repayment (with or without premium) of any moneys then already borrowed and outstanding and notwithstanding that the new borrowing may result in the above-mentioned limit being exceeded.

For the purposes of the said limit the issue of loan capital shall be determined to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash. For the purposes of this Article, "Group" shall mean "the Company and the subsidiary companies for the time being of the Company."

No lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed. The reasons for proposing the above special resolutions are given in the above mentioned circular, and the effects of the resolutions are apparent from the resolutions.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and, on a poll, vote in his stead. A proxy need not be a member of the company.

The head office and United Kingdom transfer register and registers of members of the company will be closed from April 13 to 21 1981, both days inclusive.

By order of the board  
Anglo American Corporation of South Africa Limited  
Secretaries

per G. R. Bull  
Divisional Secretary  
Registered Office: 44 Main Street, Johannesburg 2001.  
Postal Address: P.O. Box 61587, Marshalltown 2107.  
London Office: 40 Holborn Viaduct, London EC1P 1AJ.

March 30 1981







## MARKET REPORTS

## Commodities

**Grain** was mostly steady yesterday. Wheat futures were mostly steady, with a slight rise in the soft wheat futures. Corn futures were mostly steady, with a slight rise in the yellow corn futures. Soybean futures were mostly steady, with a slight rise in the soybean futures. Cotton futures were mostly steady, with a slight rise in the cotton futures. Sugar futures were mostly steady, with a slight rise in the sugar futures. Coffee futures were mostly steady, with a slight rise in the coffee futures. Tea futures were mostly steady, with a slight rise in the tea futures. Rubber futures were mostly steady, with a slight rise in the rubber futures. Petroleum futures were mostly steady, with a slight rise in the petroleum futures. Metals futures were mostly steady, with a slight rise in the metals futures.

**Oil** was mostly steady yesterday. Crude oil futures were mostly steady, with a slight rise in the crude oil futures. Heating oil futures were mostly steady, with a slight rise in the heating oil futures. Gasoline futures were mostly steady, with a slight rise in the gasoline futures. Natural gas futures were mostly steady, with a slight rise in the natural gas futures.

**Metals** were mostly steady yesterday. Gold futures were mostly steady, with a slight rise in the gold futures. Silver futures were mostly steady, with a slight rise in the silver futures. Copper futures were mostly steady, with a slight rise in the copper futures. Aluminum futures were mostly steady, with a slight rise in the aluminum futures. Zinc futures were mostly steady, with a slight rise in the zinc futures. Lead futures were mostly steady, with a slight rise in the lead futures. Nickel futures were mostly steady, with a slight rise in the nickel futures. Tin futures were mostly steady, with a slight rise in the tin futures.

**Grain** was mostly steady yesterday. Wheat futures were mostly steady, with a slight rise in the soft wheat futures. Corn futures were mostly steady, with a slight rise in the yellow corn futures. Soybean futures were mostly steady, with a slight rise in the soybean futures. Cotton futures were mostly steady, with a slight rise in the cotton futures. Sugar futures were mostly steady, with a slight rise in the sugar futures. Coffee futures were mostly steady, with a slight rise in the coffee futures. Tea futures were mostly steady, with a slight rise in the tea futures. Rubber futures were mostly steady, with a slight rise in the rubber futures. Petroleum futures were mostly steady, with a slight rise in the petroleum futures. Metals futures were mostly steady, with a slight rise in the metals futures.

## London cocoa futures steady

Cocoa futures fluctuated in a \$13 per tonne trading range in London yesterday, to close \$1.00 to \$5.00 down on balance, slightly under mid-session levels, but up from the "lows".

Turnover was 1,488 lots, including 378 lots crossed. Dealers said prices had eased on a belated hedge and mixed selling, but shortcovering provided late support.

Colombia, Mexico sign Cocoa Pact: Colombia and Mexico, both cocoa-growing nations, have signed the new world Cocoa Pact, an International Cocoa Organization official said.

## LME metal stocks

London Metal Exchange metal stocks, at 27 March, in metric tons, except as noted (with previous week in brackets): Copper, 1,000,000 (1,000,000); Aluminum, 43,125 (43,125); Nickel, 3,630 (3,630); Lead, 50,325 (50,325); Zinc, 88,850 (88,850); Silver, (in tray ounces), 24,25m, 24,01m.

## Discount market

Money markets were becoming increasingly nervous and uncertain yesterday because of the disruptions caused by the strikes by civil servants and bank employees. As a consequence of these strikes, banks carried across the weekend balances that were an extremely large amount above target. This long-plus-factor enabled the market to have a day of fairly comfortable credit conditions.

## Sterling: Spot and Forward

Market rates (day's average) March 30

Location	Rate
New York	1.7150-1.7215
London	1.7150-1.7215
Frankfurt	1.7150-1.7215
Paris	1.7150-1.7215
Brussels	1.7150-1.7215
Amsterdam	1.7150-1.7215
Stockholm	1.7150-1.7215
Copenhagen	1.7150-1.7215
Oslo	1.7150-1.7215
Helsinki	1.7150-1.7215
Tallinn	1.7150-1.7215
Riga	1.7150-1.7215
Vilnius	1.7150-1.7215
Kiev	1.7150-1.7215
Moscow	1.7150-1.7215
Belgrade	1.7150-1.7215
Sofia	1.7150-1.7215
Bucharest	1.7150-1.7215
Warsaw	1.7150-1.7215
Prague	1.7150-1.7215
Bratislava	1.7150-1.7215
Vienna	1.7150-1.7215
Zurich	1.7150-1.7215

Effective exchange rate compared to 1975 was up 0.3 at 100.6.

## Indices

Bank of England Index Change

Index	Change
100.0	+0.2
100.5	+0.2
101.0	+0.2
101.5	+0.2
102.0	+0.2
102.5	+0.2
103.0	+0.2
103.5	+0.2
104.0	+0.2
104.5	+0.2
105.0	+0.2
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# Slow start to account

ACCOUNT DAYS: Dealings Began, March 30. Dealings End, April 9. Contango Day, April 10. Settlement Day, April 21

Forward bargains are permitted on two previous days

1980/81 High Low Company Price Change Pence % P/E				1980/81 High Low Company Price Change Pence % P/E				1980/81 High Low Company Price Change Pence % P/E				1980/81 High Low Company Price Change Pence % P/E				1980/81 High Low Company Price Change Pence % P/E			
<b>BRITISH FUNDS</b>																			
<b>SHORTS</b>																			
<b>MEDIUMS</b>																			
<b>LONGS</b>																			
<b>COMMONWEALTH AND FOREIGN</b>																			
<b>LOCAL AUTHORITIES</b>																			
<b>DOLLAR STOCKS</b>																			
<b>BANKS AND DISCOUNTS</b>																			
<b>COMMERCIAL AND INDUSTRIAL</b>																			
<b>FINANCIAL TRUSTS</b>																			
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<b>INVESTMENT TRUSTS</b>																			
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<b>NIGHTS ISSUES</b>																			



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